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IMPLEMENTATION OF STATE AND LOCAL GRANTS PROGRAMS

HEARING

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

MAY 26, 1988

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(100th Congress)

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CONTENTS

Page

Opening statement of Hon. Frank J. Guarini 1

Testimony of Hon. Richard L. Berkley, president, the U.S. Conference of Mayors and mayor of Kansas City, MO 3

Testimony of Richard Abell, Assistant Attorney General, Office of Justice Programs, Department of Justice 6

Testimony of David G. Schroot, director, Governor's Office of Criminal Justice Services, State of Ohio 10

Testimony of Joe D. Whitley, Deputy Associate Attorney General, Department of Justice 13

Opening statement of Hon. Benjamin A. Gilman 14

Testimony of Joseph H. Autry. M.D., Associate Administrator for Policy Coordination, Alcohol, Drug Abuse and Mental Health Administration, Department of Health and Human Services 29

Testimony of John S. Gustafson, deputy director for government and community relations, Division of Substance Abuse Services, State of New York, accompanied by Michael Mecca 33

Testimony of Linda Lewis, administrator, alcohol and drug abuse program, Florida Department of Health and Rehabilitative Services, representing the National Association of State Alcohol and Drug Abuse Directors 36

Testimony of Dick Hays, Director, Drug Abuse Prevention Oversight Staff, Department of Education 54

Testimony of Steven Hicks, division director, alcohol and drug defense program, Department of Public Instruction, State of North Carolina 56

Prepared statements:
- Richard L. Berkley 73
- Richard B. Abell 108
- David G. Schroot 124
- Joe D. Whitley 144
- Joseph H. Autry 160
- John Gustafson 176
- Linda Lewis 195
- Dick Hays 256
- Steven L Hicks 266

Submissions for the record:
- Letter to Chairman Rangel from David G. Schroot 275
- Letter to Chairman Rangel from Steven L. Hicks 284

IMPLEMENTATION OF STATE AND LOCAL GRANT PROGRAMS

THURSDAY, MAY 26, 1988

House of Representatives,
Select Committee on Narcotics Abuse and Control,
Washington, DC.

The select committee met, pursuant to call, at 10:10 a.m., in Room 2257, Rayburn House Office Building, Hon. Frank J. Guarini presiding.

Present: Representatives Frank J. Guarini, Benjamin A. Gilman, and Tom Lewis.

Staff Present: Edward H. Jurith, staff director; Elliott A. Brown, minority staff director; Richard Baum, minority professional staff; Deborah E. Bodlander, minority professional staff; Ron Dawson, corporate board intern; George R. Gilbert, staff counsel; Michael J. Kelley, staff counsel; Barbara A. Stolz, professional staff; and Robert Weiner, press officer.

Mr. Guarini. Good morning, everyone.

Today, the Select Committee on Narcotics Abuse and Control will review the implementation of the Anti-Drug Abuse Act of 1986, Public Law 99-570. Our chairman, Mr. Rangel, is unable to be here this morning. He is in New York attending the funeral of a very close friend and sends his regrets.

The oversight hearing will focus specifically on the progress that has been made in carrying out the drug law enforcement, drug abuse treatment and drug abuse education grants to States and localities authorized in the 1986 omnibus drug legislation.

In the Anti-Drug Abuse Act of 1986, Congress for the first time addressed the drug problem in a comprehensive fashion. That historic measure provided additional resources and new tools to enhance international narcotics control efforts, drug interdiction and enforcement, drug abuse treatment and drug abuse education and prevention and rehabilitation.

The 1986 Act recognizes that drug trafficking and drug abuse are national problems and that anti-drug efforts require a strong partnership between the Federal Government and State and local governments.

To this end, Congress authorized new Federal grant problems to help State and local governments expand their efforts in the areas of narcotics law enforcement, drug abuse education and treatment and rehabilitation.

No one in Congress expected the Anti-Drug Abuse Act of 1986 to solve the drug problems. It was seen as a good first step, a good first effort, but Congress recognizes that a sustained commitment is needed for an effective war on drugs.

For this reason, many of us in Congress were angered and disappointed when the President proposed massive cuts in State and local anti-drug aid just months after he signed the legislation creating these programs.

Funds for drug abuse education were cut in half, funding for State and local narcotics enforcement assistance were eliminated entirely, and emergency substance abuse block grant funds were spread over 2 years, significantly diluting their impact of these particular grants.

The President's budget for 1989 includes some welcome improvements. Overall, the President is proposing a 13-percent increase in Federal drug spending. For drug abuse education, the full $250 million authorized by Congress is requested by the President.

Requests for substance abuse treatment are at, or slightly above, the levels provided by Congress in the 1986 Anti-Drug Abuse Act. The President, however, again proposes to eliminate Federal support for State and local drug enforcement efforts. The budget resolution recently passed by the House contains sufficient funds to provide for the full increases requested by the President and to fully fund the State and local narcotics control assistance program.

Today, the select committee will examine the status of these Federal programs to help State and local governments combat drugs. We want to find out how well they are working, how States and localities are using the funds, and whether current levels of Federal support are adequate.

We also want to find out how Congress can build on the foundation we began in 1986 to enhance the Federal partnership with States and localities.

The committee will receive testimony today from a number of distinguished Federal, State and local officials. We welcome all the witnesses and thank you for your cooperation. We are particularly pleased to welcome Richard Berkley, Mayor of Kansas City, who is the President of the U.S. Conference of Mayors.

Their support was quite essential and necessary. Specifically, it was in the State local narcotics control assistance program.

Mr. Mayor, we appreciate what you have done, and the interest you have shown and look forward to working in the future with you. Your statement will be entered in the record. We are very pleased that you are here today.

Mr. BERKLEY. Thank you.

Mr. GUARINI. Perhaps I can have the rest of the panel join you at the table so you will have some company. Mr. Richard Abell, Assistant Attorney General, Office of Justice Programs, Department of Justice. We welcome Mr. Abell.

Mr. Joe D. Whitley, Deputy Associate Attorney General, Department of Justice; and Mr. David G. Schroot, Director, Governor's Office of Criminal Justice Services, State of Ohio.

Perhaps, Mr. Berkley, you might want to begin?

TESTIMONY OF HON. RICHARD L. BERKLEY, PRESIDENT, THE U.S. CONFERENCE OF MAYORS AND MAYOR OF KANSAS CITY, MO

Mr. **Berkley**. Thank you.

First, Mr. Guarini, we are very honored to have the privilege of testifying here today. We think it is extremely important.

I would like to take a moment to introduce two people that are with me. Laura Waxman, the Assistant Executive Director of the U.S. Conference of Mayors, is to my right. Behind me is Pat Murphy, Director of the Police Policy Board, former Police Commissioner of Washington, D.C., New York, former Director of the LEAA, and former President of the Police Foundation. He has a wealth of experience and is well-known to each of you.

Without the leadership of members of this committee in the war against drugs, the Anti-Drug Abuse Act of 1986 would not have been enacted into law. The comprehensive approach which it takes to fighting this war would be impossible.

Let me assure you that we, the Nation's Mayors, will continue to work with you this year and in the future to make certain the effectiveness of this very important law is realized. And we will work with you to strengthen the law where that is necessary.

Drug abuse has been a critical issue for Mayors for years, and continues to be. In 1987, the serious crimes reported to the police increased for the third year in a row. The FBI recently reported that crime went up 4 percent in the South, 3 percent in the Northeast, and 1 percent in the Midwest. The only decline was in the West.

There is data now, assembled by the National Institute of Justice, that firmly establishes the link between drug use and crime in our cities. Last year, over half of the male arrestees in 12 study cities tested positive for drug use; those found to be using drugs ranged from 53 percent in Phoenix up to 79 percent in New York City.

We are making tens of thousands of cocaine, heroin, marijuana and other controlled substance arrests each year. A high percentage of police time is spent on drug-related crime; our courts and jails are clogged with drug-related cases; our health facilities cannot handle the treatment needs of drug users; our schools cannot control the sale of drugs to students of any age.

The cost to our cities has been staggering, and every citizen, whether be realizes it or not, has been paying. It has been affecting individuals, their families, communities, their neighborhoods.

Some know the price only too well. Some have given up quality of life, and some have given up life itself. Our society must learn to say no to drugs.

Mayors have known for a long time that local resources cannot begin to respond to the spiraling drug and crime problem, and we worked hard to promote the Federal role in what for years has been a real war on our streets, a real war for our streets. We worked hard to get a national anti-drug bill that would make a difference, helping us on all fronts: Enforcement, treatment and education. We welcomed the Federal Government as an ally in our war when the Anti-Drug Abuse Act of 1986 was signed into law.

There was much fanfare surrounding the declaration of that drug war here in Washington, but there was not much Federal money to back the war on our streets, in our clinics or in our schools. The compromise appropriation to aid the local drug war in fiscal 1987 was $687 million, enough to get some new initiatives launched. But what we hadn't reckoned with was the delay we would experience in getting these funds.

For the second year of the drug war, the administration proposed just $100 million for drug education, and no funding for either law enforcement or treatment. Fortunately, Congress did not go along with all of this, but it went along with some of it. The result was much less money for the second year, a loss of about $230 million.

I might say, there have been cuts in other areas, such as in the support of the Coast Guard, which we feel as Mayors is a very important dimension, though not related directly to what we are talking about today, but a very important dimension. We feel those cuts were not appropriate.

In February, we saw the administration's Federal budget proposal for next year, fiscal year 1989. It beefs up Federal anti-drug activity in several areas, and we applaud that, but once again, it proposes an overall cut in Federal aid for our local efforts. Local drug treatment would go up $10 million, and local drug education would go up $20 million, but local drug law enforcement would be eliminated altogether.

In my opinion and in the opinion of my colleagues, this is not the way to wage a war on anything. We have to believe that Congress recognizes this, and will not accept the elimination of desperately needed law enforcement aid.

All of the local resources we can muster are not enough to hold the line against urban crime and take on a major drug war at the same time. In law enforcement overall, we have done our share, and more. The latest Justice Department figures show that.

In 1985, combined city and county expenditures for justice activities totaled well over $25 billion. States spent less than $15 billion; the Federal Government spent less than $6 billion. Municipal spending exceeded spending by all other levels of government for all Justice activities: Police protection, courts, legal services, corrections and others.

The level of funds available, however, almost becomes academic when you consider the difficulties we have had in getting these funds to our cities. Last October, one full year after the anti-drug law was passed, a Conference of Mayors' survey found that only a small fraction of that funding had actually reached our cities. Few cities had gotten commitments for funding, and fewer still had seen any funds. The money, we discovered, was bogged down in the bureaucracy of the Federal and State levels.

Last month, we checked with the Federal Government on the flow of this money and found, again, that it is moving very slowly. As you know, much of the local anti-drug money is passed through the States, and the time it is taking for States to prepare their spending plans and get them into the Federal agencies for approval is causing the problem.

Midway through the fiscal year, only 11 States had submitted plans to the Justice Department for drug law enforcement funds, and only five of these State plans had been approved. Only eight States had submitted plans to the Department of Health and Human Services for drug treatment funds, and six of these had been approved.

Applications for the Department of Education's drug education funds are not even due until late this summer; State and local governments are now spending the education funds we received in the previous fiscal year.

Frankly, we are frustrated with the bureaucracy and we are disheartened by the lack of support from the Federal Government. The drug problem is in the streets, the schools, the playgrounds of our cities; the hand-to-hand combat is in the cities.

We assert that the funding the Federal Government is willing to provide, however limited, must be allowed to come directly to the cities, directly to the problem, not through a bureaucratic tangle of Federal and State checkpoints.

We urge you to amend the Anti-Drug Act to provide funds directly to cities, and we are ready to work with you on a specific proposal that would accomplish this.

Last month, the U.S. Conference of Mayors brought together Mayors and Police Chiefs from approximately 100 cities across the country for a National Conference on Crime. Their frustrations with the way our Nation is fighting the war on drugs were manifold. They called upon the President and the Congress to establish a unified national strategy to control the flow of illegal drugs, a strategy which includes:

The declaration of drugs as this Nation's number one foreign policy concern, and the denial of foreign aid to any drug source country which fails to cooperate satisfactorily with our government in curbing its drug exports to our Nation.

An improvement in the interdiction of illegal drugs before they enter the country through strategies which include the use of the military in illegal drug interdiction outside of U.S. land area, the provision of needed equipment, and the development of new technologies which increase the success of these efforts.

Third, the passage of an omnibus anti-drug legislation this year which will add resources commensurate with the need to wage war on drugs next year, and in the future, without taking funds away from other State and local programs.

Next, a dramatic increase in the Federal funding available for local drug law enforcement, and the provision of those funds directly to cities, without requiring matching funds.

An increase in the jail and prison space available through increased Federal funding for jail construction, and the use of available, appropriate Federal installations.

An increase in the consequences faced for criminal activities, through strengthened Federal laws an increased application of them, stiffer penalties, and the seizure of assets.

Funding for the National Institute of Justice which is sufficient to conduct research and evaluation that will assist State and local governments in developing effective anti-drug strategies, and to develop new technologies that will assist in drug control efforts. We are very impressed by the Department of Justice and their activities.

An increase in support for regional crime laboratories which enhance local law enforcement efforts.

Establishment of a National Narcotics Director within the White House, of Cabinet rank, who would be charged with the duty of formulating and directing the Nation's war on drugs.

The delivery of an annual report to the Nation by the National Narcotics Director on the state of our country's efforts to control drug abuse.

Adequate funding for Federal law enforcement and corrections programs, particularly those which enforce the security of the Nation's borders.

And creation of a National Drug Education Corps, consisting of professionals from different disciplines, whose mission would be to educate our citizens, particularly our young people, about the dangers of drug abuse.

As this committee reviews the implementation of the Anti-Drug Abuse Act of 1986 and develops legislation for consideration this year, I urge you to consider each of the elements contained in this call by Mayors and Police Chiefs for a national anti-drug strategy. It is a comprehensive statement by those on the front lines.

The Conference of Mayors stands ready to work with you to improve and strengthen this Nation's efforts to wage war on drugs. Of immediate concern to us are changes to the current system which will expedite the administration of the anti-drug funds so that they go directly to our cities. We are allies in the war on drugs, and we are ready to act accordingly. We are ready to work with you.

We appreciate the opportunity to be here. I do want to add two documents to our testimony that I will submit for the record. One is a survey on the implementation of the Anti-Drug Abuse Act of 1986. The second is the call for action that was adopted at our April 24 to April 26 Joint Police Chiefs and Mayors National Conference on Crime. I referred to parts of this call in my statement. And I might mention, drug control will be a top subject at our national meeting of the Mayors in Salt Lake City on June 10 to 15.

Mr. BERKLEY. Thank you for the opportunity of being here.

[The statement of Mr. Berkley and attachments appear on p. 73.]

Mr. GUARINI. Thank you, Mayor. It will be placed in the record.

I would like to announce we have been joined by Mr. Ben Gilman of New York and Mr. Tom Lewis of Florida. Perhaps it would be best for us to hear the statements of other panelists. Then we will go into a question and answer and discussion period.

Mr. Richard Abell, the Assistant Attorney General. We welcome you, sir.

TESTIMONY OF RICHARD ABELL, ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE

Mr. ABELL. Thank you, sir. I will give an executive summary of the testimony that we are submitting for the record.

Mr. Chairman, I am pleased to appear before the Select Committee today to testify on behalf of the Department of Justice regarding implementation of the Anti-Drug Abuse Act of 1986. I would like to share with the committee the facts about how the Office of Justice Programs' Bureau of Justice Assistance [BJA], has worked to implement the State and local assistance provisions of the Anti-Drug Abuse Act of 1986.

This is a war on drugs, and the funds are flowing. If I may be permitted to go to my chart, I can explain a few things. We are dealing here with fiscal year 1987, the $225 million which went out to the States, which was $178.4 million in formula, $44.6 million in discretionary funds and $2 million for a prison capacity program.

If we realize that there had been no program that had been started up, that the States have not been involved in any program certainly in conjunction with the Federal Government, and that the first monies that were to flow and were to form the grant awards, we should be dealing with this dark green line.

Up to 10 percent of the funds were permitted to flow to the States for administrative purposes in order to put together a statewide strategy. I have to mention that because of its strong importance in that the statewide strategies are something new for the States, something new for us, this is the first time ever that the States have had to put together a statewide strategy.

In fact, to my knowledge, only one State before we had this Drug Abuse Act had a strategy on a statewide basis.

This Act has brought about the formation of those drug abuse strategies. It is one of the spinoffs that we have acquired through this Anti-Drug Abuse Act which is of great importance.

At any rate, the funds flow, as you can see on the line up to this point, roughly May 1987. At that point, States started to come in with their statewide strategies. At that point, you start to see the takeoff in the funds in a flow to the States.

Up to the point now where all the funds have flowed for fiscal year 1987 to the States. There was some delay there, but the delay was not really on the Federal part. I do not want to use the word "delay" for the States, because they were putting together their statewide strategies. This was new. It required data collection, definition of the problem.

Heretofore, they had not had to work that. They had to work with the local governments for some time to achieve that purpose.

If we see down here on this light green line, you see the formula grant subgrants. These are subgrants going to the local governments, to the State. Keep in mind, we have a variable pass-through. On the average, 60 percent of the funds were going from—that were given to the States—were going out to the local municipalities, whether they be large or small cities, county government, whatever.

I should indicate that when we put together this chart, my figures were mildly erroneous. This line here should actually be better than 10 points higher than it is. This does not take into account the funds which have been subgranted, but have not yet been reported to us because of a 6-week reporting delay.

The amount of funds for 1987 that have gone out to local governments would be between 75 and 80 percent. I won't belabor you with the discretionary formula grants, but they were tied in with the formula grants so that we received our cue on how to expend discretionary grants according to what the States felt were their needs.

So as a result, after the statewide plans started to come in, we held in tandem the utilization of the discretionary funds. That is why this goes up so suddenly.

One also needs to keep in mind when you see the actual drawdowns. For our purposes with the formula grant disbursements, the dark blue line deals with the dual drawdowns. Those funds at this moment are probably about 20 percent.

If you realize the formula grants are given out on a 3-year basis, then by the end of this year, one-third of those funds will be expended. The 20 percent is actually within our projections and predictions of where these funds would be at this time.

If one asks about the gap between the State funds being received and the local funds being received through their subgrants, we have the issues of how these funds are disbursed within the States and their own appellate procedures. In some cases, locals had to go back to the drawing board several times with their own strategies to have them in sync with the statewide strategies.

Mr. GUARINI. Mr. Abell, what does the DF stand for?

Mr. ABELL. Those are discretionary grants, the $44 million given as 20 percent of the funding, the $225 million was the total fiscal year 1987 appropriation. The law provided for 20 percent to be discretionary. And now, most of the discretionary was given in tandem with the State formula strategies, so that is why the funds started to flow at the same time as the formula grants, training, technical assistance and such.

Mr. GILMAN. Would the gentleman yield while you are at the chart? What percentage of the total money allocated under omnibus one has been awarded?

Mr. ABELL. One hundred percent of the funds given under fiscal year 1987 have been awarded to the States. Seventy-five percent of those funds that were to be subgranted to municipalities, in fact, subgranted.

Mr. GILMAN. You are telling us that all the money allocated to the States under the omnibus one have now gone out to the States, the money is there at the State government?

Mr. ABELL. I have no longer any checks to write. They only have to spend. All the funds have been given out to the States for fiscal year 1987.

Mr. GILMAN. Only about 50 percent of that money has gone from State government to local government?

Mr. ABELL. Approximately 75 percent of the funds that would be used by the local governments in fact have been subgranted out by the State to the local governments.

Mr. GILMAN. Why the discrepancy between your testimony and what Mayor Berkley said?

Mr. ABELL. I believe Mayor Berkley is discussing fiscal year 1988. We are discussing fiscal year 1987.

In fact, to date, we have received applications from 18 States. I believe Mayor Berkley's testimony indicated 11. We have received applications from 18 of the States for fiscal year 1988. The fiscal year 1988 appropriation is $69.5 million.

Mr. GILMAN. How much of the 69 million, what percentage, has gone out to the States?

Mr. ABELL. We received applications from 18 States. I don't have the exact figure on how many of those applications have been reviewed. I believe it is in excess of 11.

Mr. GILMAN. Why is there such a slow pace with the State funding?

Mr. ABELL. I believe it deals with the formulation of the statewide strategies. I can say that when we receive a State application, the average is 37 days before we write a check, in order to review the strategies, go through them and approve. The statute gives us 60 days. We do it within 37 on average.

I would estimate that next year and the year following that the 37 days would decrease from the Federal perspective.

Mr. GILMAN. Does 1988's requirement on paperwork differ from 1987's requirement?

Mr. ABELL. No. If anything, it is easier.

Mr. GILMAN. I still don't understand why the subsequent delay in 1988 when you are able to get all those funds out in 1987.

Mr. ABELL. There is no delay on the part of the Federal Government. There is some time hiatus on the part of the States, because they are dealing with a lesser amount of money. They have to do some alterations in their statewide strategies.

I presume they have to do alterations with their municipal strategies since all those are in tandem.

Mr. GUARINI. Just an observation. Our fiscal year begins October 1. However, it appears, based on the blue-line, that you didn't start dispersing any funds until July. You waited 9 months until the end of the fiscal year.

I know there is a short delay in the beginning to get the strategies together. But, when you have a war against drugs, doesn't that seem like a long length of time to get the funds to the States and cities which are in desperate need of those funds?

Mr. ABELL. We can't agree more that the funds——

Mr. GUARINI. Are you satisfied this has been fast and efficient?

Mr. ABELL. Yes. First, there had to be the upstart of the administrative funds. After the States did their statewide strategies, then we saw that the checks went out on average 37 days after receipt of their statewide application.

First, the State had to put in the application. As I said, within slightly over 30 days, the funds were flowing to them, on the average.

Mr. GUARINI. We will ask the other questions later.

Mr. ABELL. Finally, Mr. Chairman, there is a question of whether the drug grant program should be continued. If so, at what level should it be funded? President Reagan has called upon both Houses of Congress, majority and minority parties alike to join with him in a special executive legislative task force to explore this question and many other issues as to how this country can further promote the war against drugs.

I should add in my own terminology, there had been a budget summit a year ago, I think we are now talking about a drug summit this year. The President has made this clear that the task force will examine every aspect of the drug problem and that no stone will go unturned. It will report its findings to the President in early July.

I certainly, for one, look forward to working with the Congress in implementing the most promising recommendations and suggestions of this bipartisan task force. By the end of this Administration, the Federal Government will have tripled its resources being put into the war against drugs.

The Department of Justice will have quintupled the amount of dollars it is spending. I should also add that some misguided individuals are now suggesting that the war cannot be won, that we should legalize illicit drugs. To those who propose legalization as a quick solution, I would remind them of what one Member of Congress has said of it, "Those who tout legalization remind me of fans sitting in cheap seats at the ballpark. They may play the game and they may think they know all the rules. But from where they are sitting, they can't judge the action."

Thank you.

Mr. GUARINI. Thank you very much.

[The statement of Mr. Abell appears on p. 108.]

Mr. GUARINI. Will you submit an 8.5-by-11 reproduction to place in the record?

Mr. ABELL. Yes, sir.

[The information appears on p. 123.]

Mr. GUARINI. Mr. David Schroot, Director of the Ohio Governor's Office of Criminal Justice Services.

TESTIMONY OF DAVID G. SCHROOT, DIRECTOR, GOVERNOR'S OFFICE OF CRIMINAL JUSTICE SERVICES, STATE OF OHIO

Mr. SCHROOT. My name is David Schroot, Director of the Ohio Governor's Office of Criminal Justice Services. I am here at the request of the committee to testify about the State of Ohio's implementation of the Anti-Drug Abuse Act of 1986.

I want to cover some of the issues that were addressed in Chairman Rangel's letter to me at this time. Our implementation process is as follows:

We sought input from citizen attitude surveys conducted by my office, as well as data available from Federal, State, and local sources. Among issues revealed in that needs assessment were the following:

Citizens link drug abuse to criminal behavior, a fact which has recently been corroborated by the Drug Use Forecast Instrument, the DUF Instrument the National Institute of Justice developed.

Ohio is experiencing a dramatic growth in the use of cocaine, crack and also in the abuse of prescription drugs. Most drug abuse occurs in the six largest urban centers in our State. Drug abusers are typically young males.

A link exists between drugs and organized crime. Local government is increasingly requesting more State involvement in drug control efforts. Drug abuse costs Ohioans about $3 billion annually.

We conducted public hearings in Columbus, Dayton, and Toledo, and informal meetings occurred in other major cities as well as with officials in rural countries. A statewide survey was sent to over 1,500 State and local government officials to solicit their input and concerns. Appropriate State agencies and State associations representing local officials were asked for recommendations.

Some of those associations include the County Commissioners Association of Ohio, the Buckeye State Sheriffs' Association, the Ohio Association of Chiefs of Police.

This process identified four areas of concern which formed the basis for Ohio's strategy:

Resources are needed to apprehend drug traffickers and offenders.

Resources are needed to prosecute drug traffickers and offenders.

Resources are needed to supervise and treat drug-dependent offenders, particularly juveniles. Indigent drug-dependent offenders are often the last to receive treatment, and this is a high-risk population.

Drug-related training for criminal justice personnel is inadequate.

By June 1987, Ohio submitted its final fiscal year 1987 application to the Bureau of Justice Assistance, and we began the solicitation for applications. Ohio received $7.1 million in fiscal year 1987. Approximately $2.3 million was awarded for the apprehension of drug offenders, including eradication programs.

Almost $800,000 was awarded to increase prosecution of drug offenders. Some of that money went to increase our efforts in maintaining drug labs across the State; $3.3 million was awarded to programs for the treatment of drug-dependent offenders.

The impact of Federal assistance on drug law enforcement needs in Ohio cannot be determined at this time. Given that programs began late last year and early this year, it would be premature to draw conclusions from available data.

However, Ohio is one of 15 States selected by the Bureau of Justice Assistance to assess the impact of the Anti-Drug Abuse Act by monitoring all of Ohio's narcotics drug task forces and crime laboratory programs. I have contacted all of our narcotics task forces and can give you some preliminary information on them.

Thus far, Ohio's Task Forces have:

One, seized significant quantities of cocaine.

Two, large amounts of marijuana have been seized, including one bust of $50,000 worth of plants.

Three, a $30,000 soaper lab was busted.

And, four, innumerable vehicles, firearms, cash and other ill-gotten gains have been seized. All the task forces contacted have stated that without continued Federal involvement, ambitious efforts would be curtailed.

Process to distribute funds: The process used to distribute funds in Ohio is called the Ohio Plan. The plan was recognized by the Council on Intergovernmental Relations in the seventies, as the most efficient and fairest system for the distribution of grant funds.

The plan formed the basis of amendments in 1986 to the Omnibus Crime Control and Safe Streets Act. Briefly, the plan uses a formula which takes the pass-through funds and allocates them on an adjusted ratio of the uniform crime reports to populations of a given area to determine funding levels.

In Ohio, the six major urban counties and the large cities contained within them receive about 55 percent of the available pass-through funds. These six account for 45 percent of Ohio's population. Planning and decisionmaking within State and Federal guidelines occur at this level.

The remaining 45 percent of the pass-through money is made available to eligible jurisdictions which are grouped together by planning areas composed of several counties. These planning areas are also grouped according to their reported part on crimes, and populations, and also by region.

The process has resulted in each area of the State being eligible to receive funding which relates to its size and to the size of its crime problem in relation to those of the total State as a whole. The system allows small, medium, and large areas to compete for funds. It ensures the largest urban areas do not take all the funds.

Thus, it provides for a fair distribution of the total pass-through funds available.

In addition, the Ohio Plan allows my office, the State Planning Agency, to shift funds to areas of need should an eligible area elect not to utilize all of the funds made available to it.

We have some suggestions on how to improve the Act, finally. Number one, in any grant program, it is difficult for State and local governments to deal with an influx of Federal dollars and then receive a 75-percent reduction, as is the case with anti-drug abuse funding, with complete uncertainty for future years. Programs need to have a realistic funding base for several years.

Our experience in Ohio has been that on average, it takes 3 to 4 years to prove effectiveness and then to sell a program to State or local officials so that it can be integrated into local budget processes.

If the administration and Congress place a program on a funding roller-coaster, then the State and local assistance will also have its ups and downs, rendering programs less effective. It is important that State and local governments be given at least 3 years to prove the success of their programs.

The level of anti-drug funding to allow this should be at least at fiscal year 1987 levels. Hopefully, a higher level will be considered. However, I urge that whatever funding level is chosen, consideration is given to consistent maintenance of effort for the next four years.

Second, we urge that fixed dollar amounts not be allocated directly to local jurisdictions. A method such as the Ohio Plan, which considers population and crime in distributing funds, and permits larger urban areas to make their own funding decisions, is preferable. This method allows a good balance of State and local interests by providing for significant local control and giving the State the flexibility and the centralized coordination necessary to assure efficient use of available dollars.

Third, in order to prepare an implementation strategy, we urge Congress to allow each State to set program guidelines that must be met to receive funds. In turn, localities should be able to fund what they need so long as those programs are allowed under the Act, and fit within the identified statewide strategy.

Fourth, one method to consider, to continue the anti-drug program at existing funding levels, might be to create a trust fund from a portion of the Federal assets seizure and forfeiture program, and from fines levied in Federal drug cases to help create a more stable funding base.

Fifth, to assure input from all relevant constituencies, States should establish advisory committees to help in formulating the State program guidelines, to assure local needs are considered, and to provide broad-based input resulting in a balanced approach to the problems created by substance abuse in our communities.

I thank you for the opportunity to appear before you. I will do my best to answer whatever questions you may have.

[The statement of Mr. Schroot appears on p. 124.]

Mr. GUARINI. Mr. Joe Whitley.

TESTIMONY OF JOE D. WHITLEY, DEPUTY ASSOCIATE ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

Mr. WHITLEY. Good morning. I would like to ask that my entire formal written statement be made part of the record. I would now like to make comments that summarize the testimony that I have provided already to the committee this morning.

We appreciate the opportunity to appear here today to discuss the forfeiture and related equitable sharing program. It seems the focus of this morning's hearings are not on that program, therefore I am not going to go into much of the written testimony that I prepared, except to say that we appreciate, would like to thank this committee, particularly, for the support we have received over the period of this administration in areas of mutual concern in equitable sharing and asset forfeiture areas.

The Comprehensive Crime Control Act of 1984 authorized the Federal Government for the first time to share Federally forfeited property and the net proceeds of that property with State and local law enforcement authorities. The Department of Justice has administered the equitable sharing program to enhance cooperation among the Federal, State, and local law enforcement agencies. We believe that the program has made great strides toward accomplishing this goal.

Our study shows this goal of fostering cooperation has been a success. Over 99 percent of law enforcement persons surveyed at the State and local level said they would cooperate again with Federal agencies in order to receive additional shared resources; 89 percent of the respondents surveyed reported that they had. The sharing of funds had a moderate to great impact on fighting crime in their areas.

I should also point out to the committee that the sharing dollar amounts over the last few years—in fiscal year 1986, the Department of Justice forfeited over $111 million in property and shared $24 million with State and local law enforcement officials. In fiscal year 1987, the Department forfeited $167 million in property, a 50-percent increase over the previous year, and shared $68 million with State and local law enforcement, a 180-percent increase over fiscal year 1986.

These figures have continued to grow in fiscal year 1988. During the first and second quarters alone, more than $108 million in drug proceeds has been forfeited. Over $42 million has been shared.

Let me assure this committee, we continue to look at ways to accelerate the sharing of these assets with State and local government. Our formal statement outlines what those steps have been.

We are looking at reducing the amount of time in the administrative process of sharing, and also the judicial forfeiture activity. Each of the agencies involved with asset sharing has come up with a program and plan to accelerate that sharing. We are looking toward goals and deadlines we think are attainable during this year.

Without going further, I would say the Department has made great strides in streamlining the forfeitures in the equitable sharing program. We will continue to devote all possible resources toward this goal.

This concludes my comments, Mr. Chairman. I would appreciate the opportunity to answer any questions you may wish to ask of us. Thank you.

[The statement of Mr. Whitley appears on p. 144.]

Mr. GUARINI [presiding]. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I would like to put my opening statement in the record and I welcome our panelists before us.

It is especially important now as we are considering the possibilities of Omnibus II, the Anti-Drug Act of 1988, that we take a good hard look at where we have been in 1986 and whether it has been effective and where you see the shortcomings so we can benefit from that.

There are two task forces at work at the present time, one on the Republican side and one on the Democratic side. We hope eventually both of those will be coming together to forge an Omnibus Two measure that we can adopt before the end of this session.

Mayor Berkley, there seems to be some discrepancy about what you are saying and what the Attorney General is saying about how effective the program has been and whether the monies are getting out there to the municipalities. Can you comment with regard to what the Justice Department is saying?

Mr. BERKLEY. Yes, a couple of comments. First he related some numbers—and we were glad to see that increased from 11 to 18, I think it was—but the time frames are different; ours was probably taken about 4 weeks before his. Ours was taken about 30 days ago so consequently there has been that modest change in between.

But at the same time, when you are talking about 18, that is still only 36 percent of the states. So we have a long ways to go. I might compliment him on the turnaround time. I think the 39 days is a very good time table.

The problem is in the mechanics of the way it is set up, requiring the state to submit the plan, which takes a long time and, therefore, delaying the funding for the urban areas, for the cities in particular.

Mr. GILMAN. Any suggestion for cutting that?

Mr. BERKLEY. We feel a significant part of the money should go directly to the cities and not through the states. We think the states have a role, but we don't think it should be the dominant role that it is right now.

Mr. GILMAN. Mr. Schroot disagrees with you and says it should go to the states. Do you see any accommodation between what the mayor is saying, Mr. Schroot, and what your position is?

Mr. SCHROOT. I can't speak for the states, Mr. Gilman. I can only speak for Ohio. Our experience has been pretty positive. We have got a long history of cooperation, also fighting between state and local government, but in my view this process has worked pretty well in our state. It took us about 14 months from the time Congress passed this act to get the bulk of the award out to cities in Ohio.

Given the fact that you began a brand new initiative here, that is a reasonable turn around time. We worked pretty hard to secure a great deal of local input to put together a state strategy that made sense, not only from a global sense for Ohio, but also which highlighted some of the areas of concern that I mentioned in my testimony from local officials.

I think for the most part that system is the best of both worlds. It gets the money to localities where it is needed., Nobody is arguing here this isn't a big city problem, although in southeast Ohio where we have large cities, our major cash crop is marijuana. We have put together some task forces down there, some regional task forces that involve a multi-jurisdictional approach to those problems, because you are talking about fairly significant areas of ground to cover, and it seems that a state coordinating effort is required to make the best use of the funds.

What you need is to have coordination at the state level, but a system that allows localities to make their own funding decisions and that is what we have attempted to do in Ohio, successfully.

Mr. GILMAN. Mayor, are you satisfied the cities have no input to these state strategies and are they getting a fair share of the monies of the state allocation?

Mr. BERKLEY. We have some information how much the cities are involved in the state decision making process. The numbers that we have shown—this is an October survey conducted one year after the legislation was passed—that 38 percent of the cities were involved in the state planning process for the education programs; 28 percent were involved in the planning process for the treatment funds; and 43 percent were involved in the planning process for the enforcement funds.

We hope that those numbers will be significantly better this year. We frankly appreciate the letter that Richard Abell sent to the governors urging the involvement of the local municipalities, elected and appointed officials, and we compliment Ohio on the job they have done. That is a good job and we recognize that.

But we are dealing with 50 different states and 50 different situations and consequently, we are quite concerned about what has happened today.

Mr. GILMAN. Mr. Abell, is there any mandate that states be required to get input and involve the municipalities in any of the funding?

Mr. ABELL. Absolutely. There is an affirmative mandate that, in fact, within the state systems that the municipalities and local governments have input, that the public be permitted input and in fact, if that should be egregiously ignored in some fashion, then there is an appellate procedure that can be locked into place to see that does take place.

I would like to add, if I might——

Mr. GILMAN. You have been doing oversight on that to make certain this is being pursued?

Mr. ABELL. Have we yet to receive in our own internal appellate procedure any complaints that, in fact, the states have egregiously ignored in their planning process and in the distribution of funds, as a result, the urban municipalities.

Mr. GILMAN. Are the municipalities aware of that appellate procedure?

Mr. ABELL. It has certainly been made abundantly clear by our general counsel. A year ago we did a dog and pony show around the country, if you will, where everyone was invited. We sent out several thousands of letters. That has been made clear.

If I could add one thing perhaps, we have a national problem. We have a national war. Our national system is set up in a federal system of 50 states. For the first time those 50 states now have statewide drug strategies. I can more than appreciate and empathize with the express need of some of the larger cities and municipalities, that they would like to receive direct funding.

But I would be remiss not to mention, that if we were to give direct funding, that would then bypass the system that has now taken us a year and a half to establish, which are statewide strategies. I cannot emphasize enough that the drugs are not just in urban areas. They are also in the suburbs and increasingly in rural America, which is probably least in a position to do something about it.

We have to look at this in a multi-jurisdictional framework.

Mr. GILMAN. Mr. Whitley, with regard to the forfeiture programs, what was the date we initiated the forfeiture program?

Mr. WHITLEY. The Comprehensive Crime Control Act in 1984 set up the program of sharing seized assets with state and local governments. Since that time we have seen a tremendous upswing in the amounts shared with state and local governments.

Mr. GILMAN. How much has been forfeited since the inception of that act? What is the total?

Mr. WHITLEY. I think it was in my formal testimony.

Mr. GILMAN. Just an approximate amount.

Mr. WHITLEY. It is in the hundreds of millions of dollars, Mr. Gilman.

Mr. GILMAN. How much of that has been redistributed to the local enforcement agencies? Of the total amount, what percentage has been redistributed?

Mr. WHITLEY. Last year——

Mr. GILMAN. Seems from what you had put in your testimony it is a little less that a third.

Mr. WHITLEY. Yes, sir. Let me emphasize these are obviously the circumstances where there has been a joint activity or joint case pursued by the state and local governments.

Mr. GILMAN. Is there other distribution besides that?

Mr. WHITLEY. No, sir. The focus of the asset equitable sharing program is to return to state and local governments a percentage of the proceeds in a drug trafficking case.

Mr. **Gilman**. In a joint effort case?

Mr. **Whitley**. Yes, sir.

Mr. **Gilman**. What I am getting at is why is there such a small amount, less than a third, being allocated back to the municipal government?

Mr. **Whitley**. A large percentage of the property we seize is real estate that has liens and encumbrances against it. Those liens and encumbrances have to be satisfied, for example. Many of the assets we seized are under that circumstance. Those have to be satisfied.

Mr. **Gilman**. What percentage are you permitted to redistribute back to the states? Is there any limitation?

Mr. **Whitley**. There is a percentage we are allowed to distribute of a particular asset. Up to 90 percent of that asset can be redistributed back to the state.

Mr. **Gilman**. Why again is there less than 30 percent of all of the funds—I am sure a good chunk of it isn't real estate. What percentage of the amount seized is real estate?

Mr. **Whitley**. Let me back up again and emphasize again not every case has a joint state-federal component to it.

What we are talking about are a percentage of the overall federal cases that are being brought. Therefore not every situation has a sharing with State and/or locals involved in it.

Mr. **Gilman**. Let's save some time. Let's talk about just the joint cases where funds should be available to the states. Why is there such a small amount available to the states?

Mr. **Whitley**. OK. For the reasons I indicated earlier, because of the cost of managing the asset, because of the cost associated with paying——

Mr. **Gilman**. What are the costs? Of those funds, what percentage is attributed to administrative costs?

Mr. **Whitley**. I don't have any dollars here for you today.

Mr. **Gilman**. I thought this was supposed to be an oversight on the forfeiture program and that you were going to bring some of that information with you today.

Mr. **Whitley**. Let me look at my formal testimony.

Mr. **Gilman**. If you don't have it available, Mr. Whitley, to save time, I am going to ask our Chairman to make available an appropriate place in the record for you to submit that statement to us. What we would like to receive in this committee, Mr. Whitley, is the total amount of seizures in joint actions, what your costs are, and what your net distribution is to the states and municipalities.

If there are some assets still awaiting to be liquidated, indicate what percentage are waiting liquidation. It would seem to me that the intent of the Congress was to try to make a good chunk of these monies available to the local effort where it is so sorely needed.

When I see only a third of the funds going back to local government, I am distressed to hear that kind of report.

Mr. **Whitley**. For the reasons I indicated, what we are trying to do, though, is to accomplish what you suggest, which is getting back as much of this money as we can in those cases where we have had joint activity.

Mr. **Gilman**. What do you estimate administrative costs to be in this program?

Mr. WHITLEY. I couldn't really calculate. I could only tell you the total seizure amounts—you asked me for those figures—is an attachment to our testimony—in fiscal year 1986 the total seizures, in other words, we have to seize the property first. Then it goes through a judicial process.

Mr. GILMAN. We are aware of that. What is it?

Mr. WHITLEY. The total dollar figures for your information, fiscal year 1986 through present, $521 million in fiscal year 1986, total seizures, wholesale dollar figure. Fiscal year 1987, $741 million, and fiscal year 1988 to date, $144 million in total seizures.

Let me emphasize again though, if I could, that the program is geared towards sharing with state and local governments to the maximum extent possible. But what we want to do is award sharings to those states where we have had involvement by them in the actual case activity.

I don't have available the percentage of cases where there has been joint activity. But we can't award to any state or local law enforcement entity a percentage greater than the amount of their participation in the case.

For example, recently in Florida, the Florida Department of Law Enforcement seized, along with the FBI, $3.8 million in U.S. currency from the attic of a drug smuggler in south Florida. Recently, on May 24, the Director of the FBI at a ceremony shared half of that money with the Florida Department of Law Enforcement.

So what we are trying to do is in those situations where we have joint activity is get that money back to the state and local law enforcement to the extent or the percentage of their involvement in the particular case.

Mr. GILMAN. What is the average delay now in getting that distribution?

Mr. WHITLEY. It depends on whether or not we are talking about an administrative forfeiture or a judicial forfeiture. The average delay at this point is 150 days in administrative forfeitures and in judicial forfeitures it is 18 months.

Let me explain, the judicial forfeiture process is not controlled by the Department of Justice. We have no control over how our courts proceed, but we are doing everything we can to see that it is accelerated. My formal testimony outlines many of the steps taken by this Administration and also by the Attorney General to accelerate the sharing of these assets.

Our backlog and our problems with getting the money to the states are being alleviated. Over the last year we have had tremendous reduction in the number of administrative cases that were backlogged, according to our definition. We had some 9,000 DEA administrative cases that were backlogged. We have reduced that down to around 2,000. We have a thousand some odd FBI cases. Those have been reduced significantly down to maybe 200 or so cases that are backlogged.

So what we have done over the last year has been a major accomplishment with the dedication of additional resources and of the FBI and the DEA and the Department of Justice to see these cases get processed and the money gets back to the state and local governments as soon as possible.

Mr. **Gilman**. I would hope you find a way to accelerate it and also find a way to make a better distribution, a more proportionate distribution for local government. When you talk about a 50 percent share, that sounds to me like a lot better than the less than 30 percent you are sharing with local government at the present time.

Mr. **Whitley**. Our intent is to err in favor of the state and local governments. Wherever this is a doubt, we resolve that doubt in favor of the state and local governments in that situation.

Mr. **Gilman**. You say you have collected close to a billion dollars in the last few years. I would hope we find a better way to get those funds back to the states.

Mr. **Whitley**. The funds are being used in a multi-faceted way, including enhancing federal law enforcement activities which are instrumental in our being a better partner with state and local governments.

Mr. **Gilman**. Mr. Chairman, I am going to ask the report by Mr. Whitley—we are asking you to submit a report to us setting forth the total amount forfeited and the manner in which it has been distributed and the amount you are allocating to costs—be made part of the record.

Mr. **Guarini**. So ordered. You will submit for the record, Mr. Whitley.

Mr. **Whitley**. Thank you.

[The information referred to appears on p. 144.]

Mr. **Guarini**. Mr. Abell, what steps has the Bureau of Justice taken to assure there is accountability to determine whether or not the states did fulfill their requirements of meeting the strategies that you approved of and that we know the money is being spent effectively?

Mr. **Abell**. We have an audit system and we have a comptroller's requirements that fall into place and all of that.

Mr. **Guarini**. That is just so the money is spent. But what checks do you have on the accountability, not of just the money that is spent, but the effectiveness of how the money is spent?

Mr. **Abell**. In terms of effectiveness, sir, data is just starting to come in now. It probably will be awhile before we have sufficient data that we can do an evaluation to see how the monies have been spent.

If we realize that the funnel, in the sense of the funding has really just opened in the last 6 months—we have not yet had the opportunity to evaluate on a large basis as to precisely how the funds are being spent.

I can tell you what categories monies are going into. But in terms of the subgrants going to the localities, we don't have that information yet and we would not be able to have it yet.

Mr. **Guarini**. Is there any mechanism to ensure that there is an effective method in which the money is spent?

Mr. **Abell**. Yes.

Mr. **Guarini**. Do you have any committee, do you have any group that is assessing how public monies are being spent, and ensuring that they're not just throwing money at the problem?

Mr. **Abell**. Yes, sir. Whether it is through the grant monitors at the Bureau of Justice Assistance or our comptroller's shop, those people are monitoring.

We have state-wide strategies. Most of the States have an advisory board that is an adjunct to the State drug boards and in a sense of how those funds are being distributed, yes. In terms of a longer term evaluation, we don't have that information yet.

Mr. GUARINI. It will be a long time before we would be able to collect the kind of data you need to be able to——

Mr. ABELL. We are in the process of collecting that data now so I would not say it is a long time, but I would say we are in the process of collecting that inasmuch as the States are still in the process, in some cases, of giving out their subgrants.

The funds, as you can see, have flowed about 20 percent down so that information will be flowing.

Mr. GUARINI. Have you set forth any criteria for the strategy? You have 50 States all submitting different plans. I assume that there will be experience that has been gathered in the individual States that would be shared among themselves so that you would be able to benefit from the feedback that you get as to what has happened in the State and local governments.

Mr. ABELL. Yes, sir.

Mr. GUARINI. Do you have criteria you set in place where those strategies could be eventually benefiting all States?

Mr. ABELL. Yes, sir, absolutely. In fact, one of the important spin-offs aside from the fact we actually have state-wide strategies for the first time is that part of the strategy calls for some analysis of the problem, a definition. What is the problem? Is it PCP? Is it cocaine? Where is it? How is it?

That also requires data collection on the part of the States. For the most part, what delayed some of the strategies from coming in at the beginning was that this is the first time many States have had to do this type of data collection.

This is of inestimable value. In order to see what State A is collecting and of utility for State B, they use the system the FBI uses for its UCR data collection so it will not only be useful from one State to the next, but also for national configuration and analysis.

Mr. GUARINI. Let me ask you what is our national strategy right now from your point of view? Do we have a national strategy?

Mr. ABELL. Yes. From my viewpoint principally I am involved with the implementation as well as some research and statistics which take place out of the Office of Justice Programs. So most of what we are doing, is in a sense, flowing down. However, there is a strategy and, as we have seen in the past, this has been heavy on the supply side. It is now in the process of segueing into a much heavier component on the demand side. I should say ultimately, as important as this supply side is, as important as we must continue with enforcement as a direction, ultimately the war will be won on the demand side, as it has been twice before.

Mr. GUARINI. Now does that include it going after users for drugs or just education in the schools? What does the demand side imply?

Mr. ABELL. I think the demand side includes all of that. Fundamentally, it means we are not just in a war on drugs, but in a deeper sense, it is a war on moral values. If we realize crime rose in the 1960's or 1970's roughly from 1981 to 1983, some 300 plus percent, and we realize that our resources committed towards crime have not risen in that same degree, we can start to define the problem.

We must realize in terms of drugs, 20 years ago, if you will, as part my generation, whether it was in college or just coming out of college, the concepts, misguided concepts of a definition of liberty, freedom and self worth and self identity gave random approval of drug experimentation.

We have now realized that the values of 20 years ago are no longer the values that pay off. If anything, we are now reaping what we have sown because ideas have consequences. Fundamentally, we must turn around this nation's ideas and its values. We are in the process of doing that.

Twice before in our national history, but never to this extent, we have had major drug problems. Both of those times it took a generation, a generation being defined as 20 to 25 years, to turn around what was a serious problem.

Mr. GUARINI. In this strategy against the demand side what does it consist of besides education?

Mr. ABELL. We have not done enough on the demand side and I would say that is something that there has been ample discussion on. It is increasing. We need to be doing far, far more.

Mr. GUARINI. So I am asking you in regard to demand side what does it consist of, in your opinion? Does our national strategy rely on the seeking out the users or just educating our children?

Mr. ABELL. It has to be all of that, sir. We must not only make it a risk for the users as well as hurting the finances of the seller. It is putting more into high risk youth. It is going after the user so that they realize that they can no longer be the silent partners in acquiescing toward those people who are killed and otherwise criminally affected by drugs.

It is all of that, sir. It is zero tolerance.

Mr. GUARINI. That is the question I was going to ask next. You subscribe to zero tolerance?

Mr. ABELL. Yes, sir.

Mr. GUARINI. All right. Is that part of the criteria and the strategy that you asked for from the cities and states in order to approve of the plan?

Mr. ABELL. No that is not part of my criteria.

Mr. GUARINI. Then it is not part of your strategy.

Mr. ABELL. What has happened in the strategies and plans is what is mandated in the law. There are seven areas. Of course at the time the laws were put together, which is a year and a half ago, before October 1986, there was not as much emphasis on zero tolerance.

However, within that framework we intend to be putting much more emphasis on zero tolerance and certainly the wherewithal is there.

Mr. GUARINI. Mr. Berkley, Mayor, would you like to comment on what has been said in your view?

Mr. BERKLEY. Well, we do feel that while we compliment all those who are involved, we think there is a sincere effort at the executive level, at the congressional level, federal level, state level, local level, we do not think enough is being done and we really don't think there is enough of a joint strategy.

Recognizing it is tough to put together, but some of the elements of an overall, comprehensive program that we outlined in our chiefs and mayors meeting that I referred to in my comments, some of those dimensions have not been dealt with or not been dealt with to the extent that we think they should be.

We need to broaden the approach and really concentrate and make sure that while we have talked about education, there needs to be a lot more done in education. There are a lot of good plans that have sprung up around the country, mostly at the local level, some private initiatives, some educational initiatives, some governmental initiatives, that have a lot of merit to them and we need to see a broadening of their impact. It is a broad-based attach that has to be done, as you dais, in many, many ways.

Mr. GUARINI. Are the cities satisfied that they have sufficient input into the state program?

Mr. BERKLEY. No, we are not. As the numbers I mentioned earlier indicate, on the average roughly a third of the cities are being asked to participate to the extent that they should.

Again, we are hopeful this year that will be up significantly, but it has not been as much of the process as it should be. Let me also add, that process can go on but we think the urgency was sufficient that the money should have been distributed, or a significant portion of it, directly to the cities so it can be used more effectively. Then you can improve upon that as time goes on.

In other words, there is enough that needs to be done at the local level, and we know enough about that needs to be done, that money would be well spent. Certainly as time goes on, more data, more experience, more of everything else, leads you to modify your plans. You improve it. You build upon it, et cetera, but I don't think we should have to wait for an overall state game plan before we get into it at the local level.

Mr. GUARINI. I understand the cities don't really have the funds either, do they, these days?

Mr. BERKLEY. As I cited, we have put in a very significant amount of money. I would say a significant portion of every city hall budget in the United States has a very large amount of money for law enforcement. That is a basic responsibility of local government.

As a result, when we are called upon to put even more in at the same time revenue sharing has been eliminated, we are really pressed. We share the recognition that balancing the budget balancing, or aiming toward it is very important. We recognize that. I have said we need to share in the pain of that process.

At the same time, the cities have borne a very heavy burden when it comes to the reduction of federal funds and consequently, when we try to expand our police budgets or our budgets referring to any dimension of dealing with drugs, we have a very serious problem. I have been involved in 18, I guess 19, city budgets and I can tell you the one this year is the toughest one we have ever had. It is because all these things are happening at the same time. The reduction of federal funds at the same time that these is this crying need for additional efforts in the drug abuse area has created a real serious issue.

Mr. GUARINI. And so much of your crime is drug related.

Mr. BERKLEY. That is right. We estimate 60 to 70 percent of it.

Mr. GUARINI. That is being felt throughout the entire country. In your view, do the statewide strategies adequately address the criminal justice needs of the cities?

Mr. BERKLEY. That would vary from state to state. I think there is a conscientious effort being made. Don't get me wrong. We think the states are making a conscientious effort. We think the time delay has been harmful. We think again, as they get a strategy and there is more and more need as time goes on, these strategies will be modified.

But our main complaint was that we could have done both.

We could have developed the strategies and yet had enough information already available that we could have taken the money and used it very effectively and very efficiently. When we are talking about an urgent situation such as this, that is the way to go.

Mr. GUARINI. If Congress were to have grants directed to the cities and communities, what assurance do we have that there would be adequate coordination between these cities in developing a strategy?

Mr. BERKLEY. One thing that could be done is when you request local governments to submit applications, there might be some way of providing some incentive by some modest but reasonable additional grant that could go along if two or three governmental bodies joined together to submit an application.

I think it could be beneficial to have several cities in a large, municipal urban area working together.

Mr. GUARINI. Mr. Abell, how do you feel about giving grants directly to the cities? Are you against that and in the long run, would that delay the process more if application were considered?

Mr. ABELL. Actually it may, curiously enough. I was not in LEAA in its waning days, but I understand that was a process that was being implemented in its last several years. If we were to do a process where the funds were to go around the States' strategies, then we would in a sense directly be undermining the State strategies.

I would be most concerned about that. It also means if we are going to have strategies, the funds have to flow according to those strategies, rather than before or during. They have to flow as a result of the strategies. If we were to turn around and have the funds flowing direct, absent meaningful strategies, of which the cities were part and parcel, then somebody would have to be doing the monitoring and fulfilling the role of the States and their statewide strategies.

That either means A, nobody does it which means a year or two from now either myself or my successors would be up here answering some very hard questions, or B, it means the Federal Government must fill in that gap. That means that I would have to triple or quadruple the people I have employed on this to do a function of a state nature in which there are 50 systems. I suppose if you take urban populations of 500,000 or more, you are talking about 87 systems. That means we would get bogged down in paperwork and red tape and I would like to avoid that.

Mr. Guarini. Are you developing a strategy among all the states now so there is a single strategy we have or will we be dealing with 50 different ball games?

Mr. Abell. First, we build up the State strategies. Out of that and of course, flowing from that, generic strategy, yes. That is going to be coming together with an emphasis on multi-jurisdictional approaches. Many of the states internally are starting to use their funds in multi-jurisdictional approaches. One of the approaches I would like to see them take, particularly in large urban areas, Philadelphia, New York, et cetera, would be some multi-jurisdictional areas across State lines.

Therefore, there has to be statewide strategies, with those particular urban areas doing more, but it should be flowing throughout the State strategy system.

Mr. Gilman. Yield.

Mr. Guarini. Sure.

Mr. Gilman. With regard to the review of the strategies, who takes a look at all of that or are they just accumulating on a shelf?

Mr. Abell. Oh, no. Those are gone over rather carefully by our staff.

Mr. Gilman. Do you have any input?

Mr. Abell. Yes. In fact, some strategies, particularly during the first year, were returned because of insufficient data, analysis, or definition, and we did have at least five strategies which had to be returned for that.

Mr. Gilman. Would you make suggestions to the state initially of what you would like to see them do by way of a strategy?

Mr. Abell. Yes, sir. In fact, we had a dog and pony show that went around the country. Our people stand prepared to assist the States. In fact, they provided a great deal of assistance to the States in developing their strategies and putting them together. Now that the States are programmed in this direction, they are responding well but our people are there to assist them and they do assist them consistently.

Mr. Gilman. Mr. Abell, are you telling them initially what the national strategy is when you start talking about a state strategy?

Mr. Abell. Yes. That flows down. Correct, sir.

Mr. Gilman. What are you saying about a national strategy?

Mr. Abell. In the past, heavier emphasis has been on the supply side. Now it is equally into the demand side. We are talking about apprehension, prosecution, eradication. In short, it is a program of cops, courts, and corrections.

Mr. Gilman. Do you give them a national strategy document?

Mr. Abell. They have received copious guidelines. In fact, I could have those submitted for the record, if you wish. There is a series of books and guidelines that were distributed, particularly during the first year and are still being distributed, although the States are now in sync with that. I would be happy to supply that for the record.

Mr. Gilman. Mr. Chairman, I would like to request they be made available and the appropriate reference be made in the record.

Mr. Guarini. So directed.

[The information referred to is in the committee files.]

Mr. **Guarini**. Now this state strategy and city strategy is very crucial and critical in the national overall program; is that right, Mr. Abell?

Mr. **Abell**. That is certainly in the direction that it is going. First, we set up the 50 statewide strategies. As they get into sync then we compose a national, but all this flows out of the legislation.

Mr. **Guarini**. Now it is curious to me if this is so important in the overall program, why the administration never requested any monies at all in the President's budget for state and local governments. How do you square that way?

Mr. **Abell**. It is a priority.

Mr. **Guarini**. You are saying it is crucial and essential and there are no monies requested for the overall program?

Mr. **Abell**. Yes, sir.

Mr. **Guarini**. Are we talking out of both sides of our mouth now? We have an angry public out there. They want to know what is going on.

Mr. **Abell**. Sir, I am an advocate of the program. The Attorney General is an advocate of the program. Unfortunately, among a high set of priorities and programs, all of which are good, we must prioritize and we must balance. If you realize that in 1981 the Department of Justice spent approximately $362 million on drug enforcement and in the fiscal year 1989 plan, it will be $1.6 billion for enforcement, roughly a 500-percent increase. The Department of Justice will have a $6.1 billion budget in fiscal year 1989. It is the largest budget we have ever had. We have only so many resources. We had to prioritize.

Unfortunately, when one prioritizes, one first must choose or allocate for funding those programs which are unique in a federal responsibility. We had to do that. In that context responsibility for State and local programs falls to the bottom of the list, albeit it is very important and we recognize its importance.

Mr. **Guarini**. The question is where is this in priorities? How far down is it in the priorities if the Justice Department asked for no monies, no monies at all, not one single dollar? How does that show they even have a concern or show any leadership as to what is happening in the cities and states?

Mr. **Abell**. Yes, sir. The drug war is important. This President stated it is the number one domestic priority. We also realize those programs which are uniquely federal, we as a Federal Government, at the Department of Justice, have to put its first line of resources into. We are not spending enough on those areas. We had to make some hard decisions so the Department, in conjunction with other organs of the government, had to come to the conclusion we needed to spend more on DEA and INS and prisons.

Mr. **Guarini**. Is that a top priority giving monies to the state and local governments and showing the partnership of the Federal Government with the state and local entities?

Mr. **Abell**. It is a high priority.

Mr. **Guarini**. It is a high priority?

Mr. **Abell**. Yes, sir.

Mr. **Guarini**. Yet no monies were asked.

Mr. **Abell**. Correct, sir.

Mr. GILMAN. Yield.

Mr. GUARINI. Certainly.

Mr. GILMAN. Mr. Abell, you heard Mayor Berkley and I guess it was Mr. Schroot, both talk about the necessity for some long-term planning in any federal programs that go out to local government. Yet we started off with a bang in 1987 with some $225 million that Congress appropriated and then you have just indicated there were no requests made in 1988 and 1989.

How do we have any long-range plans that is going to be available to local government? You are saying that it is important to get these state strategies in, to tie it in with a national strategy. If we are going to encourage state and local government to do all of this, how do you expect them to do that if we don't give them some assistance at the federal level?

Mr. ABELL. I understand, and in fact, I more than understand—empathize with what you are saying.

Mr. GILMAN. We need more than empathy here.

Mr. ABELL. I understand that. I understand we need to be doing a great deal. There is no question about that. I would so much as say the Attorney General would absolutely concur if he were sitting here instead of myself. I also know, however, that coming up in the impending weeks is a drug summit. I believe that all aspects of these issues are on the table for evaluation and discussion between the legislative and executive branches and on a bipartisan basis.

Mr. GILMAN. You are talking about the federal task force the President called for?

Mr. ABELL. Yes, sir. Yes, sir. My understanding is——

Mr. GILMAN. We have had a number of task forces out there. It is time that we got beyond the task force phase and beyond the study phase and start implementing some of the programs that we know are workable. We can't implement them without the wherewithal, the resources, to do it.

Mr. ABELL. Yes, sir. That is why the President has called for the final report on or before July. The idea of having a no-holds barred, everything on the table approach towards a complete national drug strategy, and that means that every aspect, which would also include state and local grants, would be part of that whole policy.

Mr. GUARINI. Mr. Abell, if you would yield for a moment——

Mr. GILMAN. Thank you.

Mr. GUARINI. The White House conference, that was just held, the report that we are waiting for. Now they already had all the discussions and talks and rhetoric and all the hearings. You had your dog and pony show that went all over the country which you are so proud of. What is happening that we have to have another task force? It doesn't make sense to me.

Mr. ABELL. I see this in the sense of a drug summit.

Mr. GUARINI. Aren't we past the point of talking? Aren't we up to the point that the public and country is demanding, action?

Mr. ABELL. We all know there are not enough funds to go around. If you use the entire $8.1 budget for the Justice Department in fiscal year 1989 it might conceivably not be enough funds in and of itself for state and local.

Mr. **Guarini**. I have seen reports that say half the crime in America and in some cities more than half the crime is drug related. We are not talking about drugs. We are talking about safe streets. We are talking about safe neighborhoods. We are not only talking about the health costs and scrambling the brains of our young people and other crimes. We are also talking about crime which is the Attorney General's principal responsibility.

This is the biggest component you have at any time. What could be a greater priority? You say that there is not enough money because you are prioritized into other kinds of programs that involve your other functions?

Mr. **Abell**. Other programs that are unique federal responsibilities and we have to respond to those first.

Mr. **Guarini**. Does the Federal Government, in your view, have a prime responsibility in showing leadership, in working with state and local governments and helping them where they can't afford to help themselves?

Mr. **Abell**. We certainly have a prime responsibility in coordination and cooperation. We have a prime responsibility in giving whatever assistance we can within the budgetary constraints and budget deficit problems.

Mr. **Guarini**. Isn't it a federal problem?

Mr. **Abell**. It is a national problem.

Mr. **Guarini**. It is a national, federal problem. Interdiction is a federal problem. What is happening on international drug control and the eradication and source is a federal problem. Now what happens in the government leadership is that we can't let the states take care of it. We have to show the prime leadership ourselves and we should accept the responsibility because if we don't, we will never resolve our drug problem in our country. So are you ready to say that we should make sure that the state and local governments get their monies as fast as they can possibly get them and that the Federal Government should play an important role in getting funds where needed to the state and local governments?

Mr. **Abell**. Absolutely. The funding that we have done, I rather suspect if I had twice the personnel, could not have gone out any faster.

Mr. **Guarini**. Now that you have set this up in 50 states, where you have satisfied yourself that there is a program and a strategy, is there any need for any delays now when money is appropriated on October 1 to wait 9 months to get the monies to the state and local governments?

Mr. **Abell**. I don't think that will happen because the statewide strategies will not have that time gap that took place. They will have their strategies in motion.

Mr. **Guarini**. That time gap is finished now. Now when monies are appropriated, we have in place a program where we can funnel the monies quickly to the state and local governments; is that correct?

Mr. **Abell**. Certainly, it will be far quicker than in the past because we don't have those time gaps.

Mr. **Guarini**. There will no longer be this 9-month time gap. What about discretionary funds?

Mr. ABELL. Discretionary funds flow almost at the same time as the actual funding on the formula grant so they go very fast.

Mr. GUARINI. According to your chart there in the last year and a half we only got about 20 percent of the monies out in the discretionary funds. That is a pretty low batting average; isn't it?

Mr. ABELL. In general, we don't pay our salaries until after the fact. A lot of these projects run for 18 months and beyond. For example, drug use forecasting or the putting together of a drug data clearinghouse in conjunction with some other of the components in OJP. The funds are flowing for many of these programs. It takes awhile for them to actually expend the funds and that will happen, as it is happening.

The programs are on-going. They have started. They have started up. But the funds are expended at a slower rate.

Mr. GUARINI. Well, a slow rate as of October of fiscal year 1987. Of the $44 million that were appropriated you have probably spent about 2 percent according to that chart.

Mr. ABELL. It would be small in terms of how much was drawn down. The grants were given to the grantees and they would have been given, as you can see, starting with May and going immediately up and, in fact, by July 1987, for our purposes, those all had been expended and awarded but it takes a while for the grantees to use, to draw down the funds that we have awarded to them.

Mr. GUARINI. When will that chart on that red and blue line expect to get up where it should be?

Mr. ABELL. The blue line you referred to for the formula grants will be up to about 30 to 33 percent by the end of this year because they are on a 3-year program, the year of award plus two. Generally, that works out statistically to about 30 to 33 percent the first year, generally a little bit more the second year, let's say 40 percent, and the rest in the third year.

Discretionary funds, you will see that maroon line probably making a big step upward very fast and in fact, if it hasn't already, because most of the discretionary grants are on an 18-month basis.

Mr. GUARINI. So that I can expect within the next 6 months that those lines will be up where the other lines are?

Mr. ABELL. The dark blue line would be between now and October up to about 30 to 33 percent. You will see the maroon line going up much higher than that because on an 18-month turnaround—in fact it will be up to maybe the 60-percent mark.

Mr. GUARINI. I am on the Budget Committee. I have an impression when we appropriate monies in the fiscal year that we want to spend them in that fiscal year if we possibly can.

Mr. ABELL. We don't have end of year——

Mr. GUARINI. I know you don't. Is there a way we can get monies in the discretionary funds out faster than we are getting them out so they can do some good instead of having false promises on programs that aren't completed?

Mr. ABELL. The funds are all out. These are draw downs by the grantees. The bills are submitted and they are paid within 24 hours after receipt.

Mr. GUARINI. Thank you, very much. I want to thank you, Mr. Abell. Thank you Mayor Berkley, Mr. Schroot, Mr. Whitley. Thank you, very much.

TESTIMONY OF JOSEPH H. AUTRY, M.D., ASSOCIATE ADMINISTRATOR FOR POLICY COORDINATION, ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. GUARINI. Our next panel, Joseph Autry, M.D., Associate Administrator for Policy Coordination, Alcohol, Drug Abuse and Mental Health Administration, Department of Health and Human Services. Mr. John Gustafson, Deputy Director for Government and Community Relations, Division of Substance Abuse Services, State of New York. Ms. Linda Lewis, Administrator, Alcohol and Drug Abuse Program, Florida Department of Health and Rehabilitative Services, representing the National Association of State Alcohol and Drug Abuse Directors.

Dr. Autry, we welcome you. We will accept you statement as drawn up and presented in the record and ask that you make whatever remarks you wish to make.

Dr. AUTRY. Thank you, Mr. Chairman. It is my pleasure to be here today to speak to this group about the implementation of grants and other programs under Public Law 99-570, the Anti-Drug Abuse Act of 1986. I appreciate having my full statement read into the record and I will try and summarize my comments.

Let me start out by saying ADAMHA has had three key areas of responsibility in implementing this law. The first is in providing financial assistance to state and local treatment and prevention services through block grant programs. Second, the agency performs a number of prevention and education activities aimed at alcohol and drug abuse through its Office for Substance Abuse Prevention [OSAP]. Third, the National Institute on Drug Abuse [NIDA] and the National Institute on Alcohol Abuse and Alcoholism [NIAA] received additional research and demonstration funding under the Act and as implemented those.

As you may know, the ADAMHA has provided treatment and prevention services funding to the states since fiscal year 1982, through the Alcohol and Drug Abuse and Mental Health Services [ADMS] Block Grant (Part B, Title XIX, Public Health Service Act).

The ADMS Block Grant received a substantial enhancement with the enactment of Public Law 99-570, the "Anti-Drug Abuse Act of 1986". In addition, $162,855,000 was provided in fiscal year 1987, and $155,917,000 in fiscal year 1988 solely for alcohol and drug abuse treatment and prevention. This program, known as the Alcohol Drug Treatment Rehabilitation [ADTR] Block Grant, required distribution to the states based on a formula of 45 percent population, and 55 percent "need" as determined by the Secretary.

We have completed all of the applications received by 1987 and as a rule these applications have been turned around in 2 weeks or less from date of receipt. We have also received for 1988, 19 applications from the states and have turned around 17 of those applications. The Office for Substance Abuse Provision, OSAP, was established also with the passage of the Anti-Drug Abuse Act of 1986 and its congressional mandate includes a model demonstration grant program on community-based prevention programs targeted to high-risk youth, creation of a national clearing house for alcohol and drug information, and a diverse communications program as well as conference and workshop support, training and on-site technical assistance for parent and youth groups, an organization that serves ethnic minorities.

OSAP's mission is primarily prevention and early intervention strategies with the intent to prevent initiation of alcohol or other drug use among youths or to curtail as early as possible entry into the substance abuse cycle. Young people how are prevented from experimenting with drugs do not become drug users and avoid all too well known consequences of use and/or addiction.

With the added threat of AIDS throughout sharing of contaminated needles, preventing youths from becoming addicted is more important than ever. I might add as an aside here that one of the concerns I have as a clinician is the contamination of a young adolescent population with the AIDS virus. This is a population that is at its peak of sexual activity, has difficulty with impulse control, as you know, and has a lifetime of sexual activities and hence possible spread of the AIDS virus ahead of it, so our activities in this area are underscored by that importance.

Last fall OSAP awarded 131, 1 to 3 year high-risk youth demonstration grants to public and private sector agencies and no-profit groups around the country. Of these approximately 50 percent were to inner-city communities and public housing projects where a large number of ethnic minority groups reside. Minority youth, as you probably know, are at high risk for drug use, premature sex, teenage pregnancy, and other problem behaviors that also put them at risk for IV drug use and/or sexual contact with IV drug users.

In fact, youthful IV drug use is the most prevalent among minority youngsters. Throughout the National Clearing House for Alcohol and Drug Information, OSAP distributes materials for the Department of Education, the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism. These materials include research findings, program descriptions, teaching aids and materials aimed at parents, youth, schools, and communities.

OSAP is conducting a major review of alcohol and other drug messages and materials and will create new materials when needed, especially for ethnic minorities and high risk populations. OSAP, as you also undoubtedly know, is very active in conducting media campaigns, such as, "The Smart Don't Start, Just Say No" campaign. It participates in joint communication activities with a number of other federal agencies and private sector organizations, provides conference support, workshop support and on-site technical assistance and training to communities, parents groups and organizations.

A series of five regional training sessions will begin in June of this year to assist ethnic minorities and groups that serve ethnic minority populations. These workshops will feature a how to inform on developing prevention programs approach, identifying resources for prevention, and building community coalitions to support prevention activities.

AIDS training is a vital part of this activity. In the area of research we have used all of the existing research funds to increase our efforts in the alcohol and drug abuse area. The division of the drug abuse money itself was $27 million total, $23 million for extramural research, $3 million for intramural research and $1 million for direct operations. We have been pleased to fund 75,000 grants, new project grants, three new center grants, a new career scientist development grant, and 23 contracts.

Significant portions of this research focus on cocaine, mechanisms of cocaine action in the brain, primarily to improve our ability to treat cocaine addiction. We are also aware of the growing demand for treatment and that physicians are using a variety of existing therapeutic agents for cocaine abusers, many of which have not been completely evaluated in terms of their therapeutic efficacies.

We are currently looking at the evaluation of tricyclius, such as desipramine, in the treatment of cocaine to relieve cocaine craving and also to decrease the highs and lows associated with cocaine use and withdrawal. The emergence of AIDS has caused the institute to increase its efforts in improving the ability to treat narcotic users. Approximately 25 percent of all AIDS cases are associated with intravenous drug use, most usually heroin. Treatment for heroin addiction has been found to be effective in preventing the spread of AIDS.

By eliminating drug use, treatment eliminates needle sharing which is one of the major vectors by which the AIDS virus is transmitted. Since drug abuse is a chronic disorder characterized by many relapses before long lasting absence is attained, it is vitally important our research efforts continue to focus on ways of keeping patients in treatment longer.

In regard to methadone treatment, recent NIDA supported studies have shown methadone does regulate and contingency contracting for methadone take home privileges represent effective methods for reducing illicit drug supplementation and also increases clinic attendance. The studies suggest that the use of higher methadone doses and additional take home privileges will decrease illicit drug use and thus enhance the treatment effectiveness.

In the area of alcohol abuse and alcoholism we have awarded a number of new projects and participation support for a new center. These efforts focus on the determinants of alcohol consumption, looking at paternal and post-natal effects of alcohol on puberty, and the effect of alcohol on growth hormone, the liver and levels of sexual hormones.

We are also interested in funding research in developing an objective by logical marker of alcohol consumption, such as looking at the metabolite acetaldehyde which is believe to be a marker of alcohol consumption.

Turning to treatment issues, it is important to recognize that at the outset any discussion on treatment issues outside of the military and the Veterans Administration are, in point of fact, only supplemented by federal funds. They are predominantly the responsibility of the state, local and private government and supporters. The Federal Government has, since the early 1970's, provided either by formula grant, block grant, or project grant limited financial assistance for treatment procedures.

Today the Federal Government provides an estimated 16 percent of the national treatment funding for alcohol and drug abuse services to states with the states funding 50 percent and local governments funding approximately 9 percent. The remainder is financed through third party reimbursement. We believe the appropriate role of the federal, state, and local government, as well as the private sector, are vital issues that need to be addressed in any debate over treatment capacity.

The question of treatment capacity itself is a complicated one. Treatment systems exist in all states, but very widely in their capacities based on individual differences and the scope of the drug abuse problems. Incidents and prevalence of drug abuse varies widely from state to state as do the types of drugs abused and the routes of administration. The emergence of new forms of drug abuse, such as crack, cocaine, and of new dangers such as the spread of AIDS virus through sharing of needles, were not anticipated even a few short years ago.

Therefore, in those states and localities were the worst epidemic surgence of these problems there may well be a lack of capacity to meet the current perceived need. In other states treatment capacity may continue to be more than adequate. It is also important to remember that although treatment for all may be our ultimate goal, it is highly unlikely that all in need of treatment will seek it and certainly not all at the same time.

I might also add here that treatment on demand is probably an inappropriate term as applied to this population. It really requires an aggressive outreach to IV drug abusers and other drug abusers to bring them into treatment. Many of them come only under legal threat. The federal strategy in treatment is to continue to provide flexible support to the states via the block grant mechanism allowing the states to prioritize where they will invest state and federal funding for treatment services.

We are aware of the interim recommendations of the President's commission on the human immuno-suppression virus epidemic which calls for a major expansion of treatment capacities. The interim report calls for expansion to approximately 600,000 treatment slots, of which approximately 400,000 would be dedicated to intravenous drug use. A comprehensive AIDS strategy is currently under discussion and development within the Department of Health and Human Services and will be discussed at a major conference on June 4 and 5 to be held in Charlottesville, Virginia.

I am certain that this administration will be discussing this issue with the Congress in the weeks ahead. I appreciate the opportunity of addressing the committee and I will be pleased to answer any questions. Thank you.

[The statement of Joseph Autry, M.D. appears on p. 160.]

Mr. GUARINI. Thank you.

Mr. Gustafson, Deputy Director for Government and Community Relations, Division of Substance Abuse Services, State of New York. We welcome you sir.

TESTIMONY OF JOHN S. GUSTAFSON, DEPUTY DIRECTOR FOR GOVERNMENT AND COMMUNITY RELATIONS, DIVISION OF SUBSTANCE ABUSE SERVICES, STATE OF NEW YORK, ACCOMPANIED BY MICHAEL MECCA

Mr. GUSTAFSON. Good morning, Mr. Chairman, Mr. Gilman. Thank you for the opportunity to testify this morning before the select committee. I would like to also mention I have joining me this morning, Mr. Michael Mecca, who is our deputy director for finance and administration who is seated in the rear.

I would ask that my formal written remarks be entered into the record, if there is no objection. I would be pleased to summarize my testimony.

Mr. GUARINI. Please do, sir.

Mr. GUSTAFSON. Mr. Chairman, all of a sudden drugs are page one business again. Public attention is again focused—at least for the time being—on drug-related problems. "Crack babies", school dropouts, shootings of police officers, drug deals, burglaries and homicides, jail and prison overcrowding, prostitution, AIDS, homelessness—all appear in the papers each day and enter our living rooms on the evening news.

These changes have placed overwhelming demands on the states' and the Nation's abilities to cope with substance abuse. Not only are substance abuse programs strained, but so are our correctional institutions, schools, law enforcement groups, social services agencies and housing facilities.

I have been asked to comment here today on how New York State is using federal money we have received and other impacts this additional assistance is having on meeting drug abuse treatment and prevention needs in New York.

In year two of the Anti-Drug Act legislation, we would expect to receive in New York $28.5 million in federal funds for drug treatment and prevention. This is a slight decrease from last year. Furthermore, we still have not regained a level of federal drug funding that existed before the initiation of the block grants which was $32 million in federal fiscal year 1980.

The State of New York is and should be proud of its national leadership in supporting drug services to those in need. During the past two fiscal years, the New York State Substance Abuse Service System has experienced significant growth which largely reflects the strong commitment of the Governor and state legislature to expand the system in response to the problems already mentioned.

The recently enacted state budget for drug abuse services totals almost $218 million, a 29-percent increase over last year's funding. The additional federal dollars made available through the ADTR anti-drug program, totaling about $7.5 million, are part of this overall system expansion. But if we look at expenditures for local services from all sources of funding, state dollars for local programs account for almost half of the total. Federal ADM and ADTR dollars make up 11 percent.

It is clear that, while federal dollars play a significant role in New York's fiscal plan for drug services, it is really state dollars which drive and sustain our overall efforts.

Concerns regarding the anti-drug programs are not just related to dollars. Federal grant programs started under the Anti-Drug Act of 1986 often tend to be incompatible with state fiscal and planning systems, thereby preventing the most effective use of federal funds at state or local levels.

Furthermore, the need to incorporate these federal awards within the larger state budget process of New York may sometimes create the appearance the funds are not being utilized, when in fact, all have been planned for, all have been allocated as part of a multi-million dollar spending plan and all are in service providing services at the local level. We should not kid ourselves. The emergency treatment and all other drug funding are sorely needed in New York and elsewhere and are being utilized and will continue to be used and still the drug problem will persist.

We have not, as one federal official would have us believe, "turned the tide" in the drug battle. Really, it is more like the tide has turned on us and we are being swamped.

The federal prohibition against the use of funds for capital construction and renovation is a major problem in states like New York where we have waiting lists in an excess of 3,000 individuals, and our current system is over utilized.

Various requirements such as set-asides and public hearing mandates also fail to acknowledge that some states, like New York, already have met or exceeded such directives through previously established state policies and on-going operations.

To put it simply, what New York needs from the Federal Government is a stable, straightforward funding program and true flexibility to utilize funds for drug treatment, education, enforcement in ways that make sense to the state and local agencies who must deal directly with this problem on a day-to-day basis.

Federal legislation authorizing the ADM block grant and the ADTR funds is a major item now facing the 100th Congress. I would like to briefly summarize some of the pros and cons of these proposals as we see them.

1. Congressman Waxman has proposed a reauthorization package which would realign federal funds for ADM services in the name of equity. Cutting back funds and dismantling programs in states with the most serious drug problems like New York is not the way to win the battle against drugs.

2. In the Senate, Senator Kennedy's authorization measure would revise the interstate distribution formula but maintain some measure of a "hold harmless" provision and would establish a new AIDS block grants for treatment, outreach, and training activities to address the role the IV drug use plays in the transmission of the virus. These are important provisions.

3. Omnibus Anti-Drug Act of 1988—In light of the newly introduced measure, it is clear that the Congress realizes that much more needs to be done. On the plus side, the proposed increases in the block grant and the ADTR authorizations are particular strengths, as is the provision that would allow 40 percent of these monies to be used to force the capital construction and capital improvements.

In many of parts of the country, in particular in the Northeast, the infrastructure—treatment facilities providing the care for these individuals—are crumbling around our ears. With the prohibition on the use of Federal monies to improve, build and to expand capacity, we are really restricted on what we are able to accomplish.

On the minus side, we are concerned about the suggestion that the head of the Bureau of Justice Assistance serve as the Federal Drug Czar. Empowering yet another enforcement agency to take control over the entire Federal drug strategy will, I am afraid, tend to reduce the all-important role which demand reduction must play if we are serious about stopping drug abuse behaviors.

I cannot state this too strongly. The gentleman representing the Justice Department in responding to your questions on what demand reduction measures they would undertake, spelled off a litany of enforcement demand reduction activities.

4. AIDS and IV drug use—There are a number of other legislative initiatives on the horizon which are essential to the drug treatment field in New York in that they deal with AIDS/IV drug use. These proposals should be incorporated with the ADM and ADTR block grant programs.

In closing, let me briefly outline some recommendations for Federal action which we consider essential:

In regard to the reauthorization of the ADM block grant, we support retention of the hold harmless provision; maintenance of the block grant as a single, unified structure; and increased Federal financial participation.

We also support the elimination of restrictions on the use of funds for capital construction and improvements, as well as the numerous set-aside provisions.

We encourage greater Federal support for State efforts to resond to the AIDS/IV drug use problem, such as that proposed by you, Congressman Rangel, and your colleagues.

We need more real flexibility for States to implement needed drug services, such as residential beds for addicts on the streets; AIDS outreach for IV drug users; and new programs to save innocent children who are born homeless and addicted.

We need more interagency understanding and true coordination of drug treatment-prevention-education-enforcement program efforts at the Federal level, but in a way that makes sense from a "people perspective", not just political ones.

Perhaps most importantly, we need a consistent and reliable source of support from the Federal Government, one which is not subject to constantly changing priorities. We need to continue what we have started and we need a partner we can count on.

[The statement of Mr. Gustafson appears on p. 176.]

Mr. GUARINI. Thank you, sir.

Ms. Linda Lewis, National Association of State Alcohol and Drug Abuse Directors.

TESIMONY OF LINDA LEWIS, ADMINISTRATOR, ALCOHOL AND DRUG ABUSE PROGRAM, FLORIDA DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES, REPRESENTING THE NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS

Ms. LEWIS. Thank you for the invitation to appear before you today to address the implementation of the drug abuse treatment grants to States authorized by the Anti-Drug Abuse Act of 1986.

My name is Linda Lewis. I serve as Administrator of the Florida State Division of Alcohol and Drug Abuse Programs within the Department of Health and Rehabilitative Services and am appearing before you today as a member of the National Association of State Alcohol and Drug Abuse Directors, NASADAD.

As you are aware, the membership of the National Association of State Alcohol and Drug Abuse Directors is comprised of the State officials designated by the Governors to administer the publicly-funded alcohol and drug treatment and prevention services system. NASADAD is a not-for-profit organization; our primary goal is to promote the development of effective alcohol and drug treatment and prevention programs throughout the Nation.

Before I begin our statement, I wish to express the NASADAD membership's sincere appreciation and recognition of the strong leadership role which you and the other members of the Select Committee on Narcotics Abuse and Control undertook in the development and passage of the Anti-Drug Abuse Act of 1986.

Mr. Chairman, you and the members of your committee are already familiar with the range, complexity and seriousness of the problems which result from alcohol and drug abuse. These problems impact on every sector of our society, transcending socio-economic levels, race, age and sex.

Overall, yearly direct and indirect expenses of these illnesses total over $176 billion, based on such factors as costs related to reduced productivity, mortality, treatment, crime, motor vehicle crashes and property loss. These staggering costs do not take into account the personal suffering and individual tragedies which arise from these problems.

Compounding an already catastrophic situation and overtaxed public alcohol and drug treatment system is the tragic detestation occurring as a result of the AIDS epidemic. Increasingly, greater demands for drug abuse services are being made by thousands of individuals who care intravenous drug abusers. These addicts are seeking treatment as a means of preventing their infection with the HIV virus.

Our national treatment system at present is only reaching 10 percent of those addicted. There are sometimes as much as 3 to 6 months of waiting time to get into treatment across the country. Federal support for programs to prevent and treat alcohol and drug abuse declined 40 percent during the 6-year period from fiscal year 1980 to fiscal year 1986.

In fiscal year 1987, approximately $1.7 billion were expended for publicly funded drug and alcohol treatment and prevention services. States provided over one-half of these resources, the Federal Government less than 20 percent.

Specifically addressing the Anti-Drug Abuse Act in relation to drug treatment services: In 1986, when the Anti-Drug Abuse Act was enacted, it included a supplemental, emergency grant program for treatment services by the Federal Government to assisting States and local communities in their efforts to prevent and treat drug and alcohol abuse. This new Alcohol and Drug Treatment and Rehabilitation Block Grant provided $163 million in additional funding for fiscal year 1987 with 45 percent of the funds allocated to the States based on population and 55 percent allocated based on a new need and capacity formula.

The States' pleasure in receiving new funds was short-lived, however, when the President did not request any new monies for fiscal year 1988 for continuation of the Federal Government's renewed commitment to treating alcohol and drug abuse. What is even more perplexing is that the President proposed that the $163 million appropriated for the fiscal year 1987 ADTR grant program be awarded by the States to cover both fiscal year 1987 and fiscal year 1988.

A State's ability to meet the needs addressed by this supplemental program were further hampered by the fact that each State only received less than one-half of the total funds to be allocated based on population, approximately $73 million, and had just received notice of the application process for remaining $90 million in emergency funds in April 1987. All of these monies were required by statute to be made available to the States no later than mid-February of this year.

This uncertainty about the amount of funds each State would receive under the ADTR block grant program and about future appropriation of additional sums led some States to decide to spread the money over a multiyear period to assure continued treatment for a smaller group of clients rather than face the possibility of creating a large dependency constituency the first year and then having to terminate treatment to large numbers of people if no new Federal funds were awarded.

Several other factors contributed to the speed with which States are actually drawing down the ADTR funds. First of all, it is important to understand what is meant by the term "draw down." It is a term of art indicating that money from the Federal Treasury has actually been attributed to the account of a particular State. Federal law prohibits drawing down of Federal funds.

Secondly, under the laws in many States, Federal funds are required to be appropriated by the State's own legislature. Most States were well into their own fiscal years when they received notice of the ADTR grants which necessitated extraordinary action by the legislatures.

The infusion of new funds for alcohol and drug abuse and the crack cocaine epidemic resulted in widespread interest and an involvement with a number of interest groups which requires time to express their concerns. Since the Anti-Drug Abuse Act encouraged States to develop State coordinated plans, there was the use of funds received from related programs.

To ensure maximum benefit of all the funds, this development of a coordinated State plan and application took additional time and contributed to delays in getting the money to service programs.

NASADAD has been involved in the implementation of the treatment, prevention and education programs authorized by Public Law 99-70. We serve as a focal point for exchange of information between and among Federal and State agencies and provides technical assistance on the implementation and coordination of these programs.

As such, NASADAD provides information to the Alcohol, Drug Abuse, and Mental Health Administration to assist in the development of needs-based formula and kept NASADAD members informed about the development, application procedures, coordination requirements and other details of implementation.

Additionally, NASADAD sought to keep Members of Congress and the Administration abreast of how and when States were planning to use the ADTR funds. In July 1987, States were surveyed to identify specific services and populations the States planned to target with the ADTR funds.

States also were asked to provide information on their unmet needs and the continuing demand for alcohol and drug treatment services. The results indicated that in most States, treatment monies were targeted for significant expansion of services to adolescents, as well as to programs for minority populations and the homeless.

Several States identified intravenous drug abuse and AIDS as a priority area. Many States are using funds to supplement current prevention and treatment efforts by expanding existing treatment capacity.

In November 1987, NASADAD asked States to complete another survey intended to determine how the States were allocating and drawing down the funds appropriated for the ADTR block grant. States were asked to indicate factors that contributed to possible delays in the distribution of the funds. Survey results indicated that by October 31, 1987, $93.4 million had been obligated for services by 36 States. An additional $11 million was obligated by December 31 of 1987.

In looking at how the funds were used, as chairperson of NASADAD's Research and Technical Assistance Committee, I had the opportunity to work with other State Agency Directors and ADAMHA officials to design and implement a data collection mechanism to receive information from the States regarding types of services supported by the ADTR money. This would include projected client treatment admissions, allocations targeted to address specific drugs of abuse.

This special ADTR survey was appended to the annual State alcohol and drug abuse profile study which has been conducted for the past four years by NASADAD with the support of the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism.

The survey indicates that State alcohol and drug abuse agencies received a total of $168 million. This figure is above the $163 million awarded through the ADTR block, because a few alcohol and drug abuse agencies, State agencies, receive funds from other Anti-Drug Act programs.

Of the total dollars, over $96 million or 56 percent had been allocated to combined alcohol and drug abuse programs. An additional

$45 million, or 27 percent, were directed to drug abuse programs, with the remaining $26.4 million directed to alcohol abuse programs.

Projected allocations of ADTR funds by type of service are provided by the States and reflect expanded treatment and rehabilitation as the top priority. In fact, this category received approximately 88 percent of total allocations, and for 16 States, this was the only category for which ADTR funds were allocated.

Additional services funded included outreach, vocational services, criminal justice, evaluation, and provider training.

Federal regulations allow for up to 2 percent ADTR funds to be applied to administrative costs; 29 States opted on allocating funds to this category. However, administrative costs accounted for 1.1 percent of the total ADTR funds. That data collected also provides projects client admissions supported by ADTR funds by type of admission.

Fifty States plus the District of Columbia, Guam and Puerto Rico indicated they expected a total of over 163,000 client admissions to be supported by the ADTR funds. Information was collected on the type of service, that is detoxification, methadone maintenance, residential outpatient and other to be provided through fiscal year 1987 ADTR funds.

The largest proportion of client admission will be in the area of outpatient services. Detoxification will account for about 18.8 percent of admissions, followed by residential services at 14 percent. Other services which would include corrections treatment, day treatment, family services, at 12.5 percent, and methadone maintenance at 3.5 percent.

Regarding expenditure of ADTR funds, targeted to specific drugs of abuse, well over half of these funds are targeted to drugs other than alcohol, with the illicit drug cocaine receiving the highest allocation, almost 13 percent of the funds.

Forty-four respondents, including 42 States, the District of Columbia and Puerto Rico, provided data on allocations for the use of the ADTR funds targeted to specific populations. Among those populations are youth, women, criminal justice clients and ethnic minority groups. Additionally, while AIDS initiatives are targets for nine respondents, they receive the second largest population allocation at 9.5 percent of the total ADTR funds.

I would like to turn your attention to five specific recommendations we would like to make, particularly in light of the proposed omnibus legislation for 1988. As I have mentioned, while the members of NASADAD were pleased with the initial passage of the Anti-Drug Abuse Act of 1986 and with the seemingly renewed interest by Congress and the Administration in focusing on the demand reduction side of the war on drugs, this pleasure turned to frustration as the Administration and Congress debated over future 1988 appropriations.

This frustration with the lack of coordinated demand reduction and supply reduction strategy points out the need for strong Federal leadership and an equal partnership with the State and local communities to develop a long-term strategy for addressing our Nation's drug and alcohol abuse problem.

I can't stress too much that NASADAD believes a coordinated and balanced approach must be adopted to combat the drug problem. Specifically, including equal attention and equal resources for supply reduction and demand reduction activities. NASADAD supports the principle that treatment on demand must be available to serve all citizens dependent upon drugs, as recommended by the Presidential Commission on the HIV Virus.

Both Federal and State resources must be increased to provide essential services. It is clear that to be successful in fighting this drug problem, the Nation must adopt a comprehensive, long-term strategy that includes appropriate coordination and the ongoing, stable provision of sufficient resources.

Although NASADAD supports the clinical research which you have heard about provided through the National Institutes, we strongly advocate for a greater emphasis on applied research in the area of prevention and treatment. This field is in dire need of quality outcome evaluation studies, and we need to know what types of treatment and prevention strategies are the most effective for specific populations.

You have heard and know the Anti-Drug Abuse Act authorized the creation of a new Office for Substance Abuse Prevention. NASADAD, along with other constituent groups, has been involved in the implementation of the new entities' initiatives. We believe OSAP provided a major opportunity to play a national leadership role in the prevention of alcohol and drug abuse problems.

NASADAD recommends the expansion of the focus of OSAP, and recommends it be enabled to expand the demonstration projects for high-risk youth to other youth and adult populations who would benefit from the demonstration of effective prevention, intervention and treatment initiatives.

NASADAD suggests the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse be provided Congressional support and resources for an expansion of their epidemiological activities. The Federal Government needs to collect data, such as the mortality, morbidity and homicide rates resulting from drug abuse and addiction. There needs to be a process for ascertaining critical elements to describe the extent of the drug abuse problem and discuss the most appropriate methodology for the collection of the data.

The solution to this problem is not to place mandatory reporting requirements on the ADMS or ADTR block grant program. State agencies participate on a voluntary basis in a national data collection system on expenditures and clients in the publicly funded treatment and prevention system. The types of data needed must be collected from a broader universe than only the public funded treatment system.

NASADAD looks forward to continuing to work with the select committee to establish alcohol and drug abuse treatment and prevention as major priorities as the Administration and Congress work toward fashioning a national policy and a national strategy.

Again, thank you very much for the opportunity to be with you today.

[The statement of Ms. Lewis appears on p. 195.]

Mr. GUARINI. Thank you for your report, Ms. Lewis.

Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman.

It has been estimated there is about between 6 and 6.5 million Americans in need of treatment for some type of drug abuse, with about 1.1 to 1.3 million intravenous drug abusers in our Nation.

Can you tell us how many treatment spots are available nationwide to take care of those folks who are in need of treatment?

Dr. AUTRY. Thank you, Mr. Gilman. We estimate there are currently approximately 148,000 treatment slots for IV drug abusers, approximately 102,000 treatment slots for other than IV drug abusers.

We are very dependent on our colleagues at NASADAD for supplying this data.

Mr. GILMAN. What are we doing to try to provide additional treatment slots out there?

Dr. AUTRY. The funds provided through the ADTR block grant are expected to increase the number of treatment slots somewhat.

Mr. GILMAN. By how many?

Dr. AUTRY. Approximately they will be able to take in about another 163,000 clients per year; that is not necessary 163,000 slots.

Mr. GILMAN. We are talking about roughly 200,000 treatment slots for over 1.3 million intravenous drug abusers?

Dr. AUTRY. Yes.

Mr. GILMAN. How do we anticipate taking care of the rest of these folks who need treatment?

Dr. AUTRY. A given treatment slot can treat a number of different individuals over the course of the year. That number may range from four up to six individuals per treatment slot.

Mr. GILMAN. Do you think we will have enough treatment slots by the end of this year to take care of the need that is out there?

Dr. AUTRY. Many States are reporting waiting lists for individuals to enter into treatment. I might ask my colleagues on the panel if they would like to comment on that question?

Mr. GILMAN. I don't think you have answered my question. It has been estimated there is about 6 and 6.5 million Americans in need of treatment. About 1.3 million were using hard drugs. You say we will have about 200,000 by the end of this year, 200,000 slots?

Dr. AUTRY. There are approximately 250,000 existing treatment slots.

Mr. GILMAN. You said there are about, initially, 100,000-something. Then there is going to be, with the additional funds, there would be up to 200,000?

Dr. AUTRY. There are 149,000 existing slots for IV drug abuse. There are 102,000 additional slots for non-IV drug abuse, for a total of about 250,000. We estimate an addition to the existing treatment slots. There will be expansion based on the ADTR block grant funds.

Mr. GILMAN. How much?

Dr. AUTRY. They will be able to service 163,000 additional clients.

Mr. GUARINI. If the gentleman would yield?

Mr. GILMAN. I would be pleased to yield.

Mr. GUARINI. You are mentioning hundreds of thousands of slots. I appreciate that. But most of these people, I assume, need lengthy treatment. When you say four to six per year, it seems to me that what you are really talking about in some instances, people getting very, very short treatment. I am just wondering how you square that away with the rehabilitation record, which is perhaps a very low record.

So, treatment that is absolutely needed, has been denied to people. So, there is no treatment on demand at all. There are people on the streets committing more crime in order to keep up their habit, and waiting on the end of a long waiting list to get into a treatment center if they want to help themselves.

Even those that are seeking and crying out for help aren't getting it. And the rest of the population is being victimized by these people that have to feed their habit. I can't think of a greater first national priority than to get these people off the streets. What is being done about that?

Dr. AUTRY. The HIV Commission has recommended expanding the number of existing treatment slots from 250,000 to approximately 600,000 treatment slots in order to satisfy most of the demand, need for treatment.

Mr. GUARINI. Now, you are down to a 40-percent level?

Dr. AUTRY. We estimate between one-third——

Mr. GUARINI. On your own statistics.

Dr. AUTRY. Between one-third and 50 percent of addicts will in point of fact seek treatment at any given time. You also put your finger on a very important aspect of drug abuse treatment. Many people go in and out of treatment. It is not unusual for one person to go through four different episodes over a period of time before they engage in long-term abstinence.

Mr. GUARINI. I think we have proportions of a five-alarm fire, and we are going to it with a very small hose, a water pistol, if you will. Isn't it possible to get the support of a lot of private institutions and let the charitable sector and the churches—and try to form a program that we could perhaps work with them? I know we have Straight and Narrow up in Passaic, New Jersey. To administer this program and have a kid in rehabilitation requires only a fraction of what the Federal Government would have to spend on rehabilitation.

What is being done in order to try to get all our other resources into the program?

Dr. AUTRY. The number of slots I mentioned earlier are public treatment slots. There are a—the number is for publicly funded treatment slots. There are a number of privately funded treatment slots we don't have information on.

There are a number of outreach activities, treatment demonstration projects funded through the National Institute on Drug Abuse to try to provide model treatment programs and provide assistance to a wide range of treatment providers, including those in the private sector, those in institutions, and hopefully those who will be able to seek funding from other sources, such as foundations.

Mr. GUARINI. How does that deal with the numbers of people that are out there? You tell me what public slots are. What are the private slots? In other words, how good are your statistics? How great of a concern do you have? You have the data. Have you reached out, they reached out, have you reached out to these other charitable organizations to try to get a national program going?

Dr. AUTRY. We have reached out to try to provide technical assistance and treatment demonstration activities. The Federal Government has very little data on its own in making estimates of the need or estimates in terms of the number of treatment slots needed.

We are very dependent on our colleagues in NASADAD and in the States to assist us in providing that data. We asked the Inspector General at the Department of Health and Human Services to help us in determining what a need for a minimal data set is in order to answer the very questions you raised.

Mr. GUARINI. We had hearings in Washington, D.C. They have 1200, 1300 people waiting in line to get in. That is only one little city. The national need out there must be enormous. And the attention to the program seems to be minimum from what I can understand.

Yes?

Mr. GILMAN. Dr. Autry, I understand that you are the Associate Administrator for Policy Coordination in the Federal Department, Drug Abuse and Mental Health Administration. You would be responsible then for developing the entire Nation's policy for treatment; is that correct? Your Department?

Dr. AUTRY. The Alcohol, Drug Abuse, and Mental Health Administration is a key player in determining the Department's treatment strategies with reference to drug abuse. We don't do that in isolation.

Mr. GILMAN. That is your Department?

Dr. AUTRY. That is the Administration.

Mr. GILMAN. It is a major problem today, is it not?

Dr. AUTRY. It clearly is.

Mr. GILMAN. I don't understand why you don't have data to show what our need is nationwide. Why wouldn't we have that data available?

Dr. AUTRY. We have not been collecting data, because it has not been money appropriated for, or authorities to collect data at the Federal level.

Mr. GILMAN. How do you determine policy without knowing what your needs are?

Dr. AUTRY. What data we do collect, we collect through colleagues at NASADAD, funding grants. But that is collected by NASADAD and other organizations.

Mr. GUARINI. I would like to ask the panelists to respond to that statement that was made by Dr. Autry. How do you feel about that?

Mr. GUSTAFSON. There is no doubt that there is an absence of a national data base with respect to treatment admissions and program capacity nationwide, because there is no Federal requirement currently in place that requires the States to report in a unified manner.

There has not been since the dissolution of the client-oriented data acquisition project, back in the 1970s.

Mr. GUARINI. That signals to me a lack of concern.

Mr. **Gustafson**. I wouldn't argue with that in the least, Congressman. There is a tremendous unmet need out there. If we could focus for a moment strictly on the IV drug-using population. Congressman Gilman mentioned the estimates are 1.2 to 1.3 million. That is in line with the NASADAD statistics. Approximately 100,000 of those individuals are currently in treatment. That is the population, the high-risk population in terms of the spread of the HIV infection into the heterosexual population.

In our States of New York and New Jersey, where the number of IV drug abusers that are suffering from AIDS are approximately 60 to 70 percent of all cases reported in the entire United States, it is a horrendous problem. We talk about treatment on demand. We use statistics like waiting lists, which underestimate demand of those waiting for services.

Most clients are frustrated and may give up hope and don't bother to place their name on a waiting list.

Mr. **Gilman**. What is the usual waiting period for treatment for those seeking it?

Mr. **Gustafson**. Anywhere from 6 months to 18 months. When you are dealing with a population in dire straits, as these individuals that we are trying to provide services for, they don't wait around.

Mr. **Guarini**. Where does the leadership belong to see that this job gets done?

Mr. **Gustafson**. One, we need a predictable, steady stream of Federal support in terms of expanding the treatment capacity. There are a number of things I think can be done on the Federal level in terms of increasing the amount of dollars available for treatment and prevention services.

One of the immediate things that can be done at the Federal level is the making available of surplus Federal property to expand treatment capacity immediately, surplus armories, military installations.

It is impossible to gear up a program in many metropolitan areas throughout the country, including the City of New York, because of problems like community opposition and absence of available physical plants to house the additional capacity we need to bring into treatment.

Mr. **Guarini**. Has the will and leadership of HHS been sufficient?

Mr. **Gustafson**. In my estimation, it has not.

Mr. **Guarini**. Ms. Lewis?

Ms. **Lewis**. One of the things I think is particularly important, after almost 15 to 20 years of wrestling with the war on drugs, if you will, is the fact that we have come to recognize that this problem is not going to vanish overnight. When we talk about long-term strategy, I support my colleagues' statement regarding stable, ongoing funding. I think we also have to have stable, ongoing, very well-organized planning.

That planning cannot be done without an adequate data base that looks at all the factors involved in the war on drugs. I think that is an absolutely critical area. It is one that obviously NASADAD feels a great concern about.

The data that we have is used constantly. We need to expand that capacity. States are in a position where they need assistance in being able to work with the Federal Government in developing really a national data base. I would definitely support that.

Mr. GILMAN. Dr. Autry, do you recognize the need for more adequate data base and one that your offices should be tackling?

Dr. AUTRY. We have had a series of discussions that have been ongoing for a couple of years with NASADAD about the need for a data base. That is what led us to ask the Inspector General's Office of the Department to look at this problem and furnish us support on what those needs are, and how they might be addressed.

We anticipate we will have that report approximately August 1.

Mr. GILMAN. You are studying the need. I am asking you what has been done to fulfill the need, rather than just study the need?

Dr. AUTRY. We are not studying the need. What we are asking for is specific recommendations on how that need may be met.

Mr. GILMAN. How long will it take you to develop this kind of a program? It would seem to me with the critical nature of this problem that has existed for so long, that by now, we at least would have an idea of how extensive the problem is.

How much longer will it take to make a determination of how extensive the problem is?

Dr. AUTRY. My guess is we can have a program rapidly after getting the Inspector General's report.

Mr. GILMAN. When do you anticipate the report?

Dr. AUTRY. August 1 of this year.

Mr. GILMAN. Could you provide us a copy of that report when you receive it?

Dr. AUTRY. Yes.

Mr. GILMAN. I ask that a copy of the Inspector General's report be noted in the appropriate place in the record with regard to recommendations for a data base.

[The information referred to was not available at time of printing.]

Mr. GILMAN. Have you made recommendations for increased funding for the coming year for all the services that are needed to provide the kind of treatment needed out there?

Dr. AUTRY. The 1989 budget returns the ADMS block grant to approximately the 1987 level to about $509 million, and returns the ADTR grant to approximately $163 million.

Mr. GILMAN. We are going to the prior levels, is that it?

Dr. AUTRY. The ADTR block grant is an increase over the 1988 appropriated level.

Mr. GILMAN. It goes back to the 1987 level?

Dr. AUTRY. That is correct.

Mr. GILMAN. Then there is really no substantial increase in funding out there, is there?

Dr. AUTRY. In terms of the submitted budget, that is correct.

Mr. GILMAN. What are we going to do about the increased number of people that need treatment? Are we going to try to provide help for them?

Dr. AUTRY. We will continue to work collaboratively with our colleagues at the State and local level, try to develop more effective treatment methodologies and provide technical assistance to the States who bear the bulk of the funding responsibility, to try to help them do the best job possible.

Mr. GILMAN. States are crying for additional funding from the Federal Government. What are we doing to meet that need?

Dr. AUTRY. In 1989, we have approximately $40 million demonstration money and technical assistance money that we will be using to try to help the States and localities.

Mr. GILMAN. $40 million over 50 States doesn't go very far.

Dr. AUTRY. No. Since they are demonstration monies, we hope the impact of that money will be much in excess of the dollar amount.

Mr. GILMAN. Mr. Gustafson and Mrs. Lewis, what are your thoughts about the level of funding that has been provided in the 1989 budget?

Mr. GUSTAFSON. Woefully inadequate. It does not bring us up to the point in time we were a year ago, as my colleague from Florida pointed out. It puts us approximately 40 percent below the level we were in 1980. The problem, if anything, has escalated dramatically in the intervening 7 years. It is a situation where we are swimming against the tide.

Mr. GILMAN. Ms. Lewis, do you want to comment?

Ms. LEWIS. Let me speak with regard to the State of Florida. In February of this year, we have over 700 people who were available to go into treatment if capacity were available for them. These are the individuals we referred to in the treatment on demand issue.

We are absolutely—our State entirely from every aspect is being devastated by the crack cocaine problem. I have data from the first 6 months of this fiscal year, which for us began last July, 53 percent of treatment admissions are for primary cocaine abuse. We are in need of expanded treatment capacity, improved facilities.

We need to reduce our staff-client ratios down to a level that we can effectively serve these clients. There is a need for expanded vocational and educational services. We need resources to be able to accomplish these activities.

Mr. GILMAN. Has the State of Florida appropriated additional money in 1989 over 1988?

Ms. LEWIS. We are, at the present time, engaged in our legislative session. Funds are being requested. I do not know the outcome.

Mr. GILMAN. Has the State been increasing its funding for treatment?

Ms. LEWIS. Yes.

Mr. GILMAN. What about New York?

Mr. GUSTAFSON. We increased our support by 29 percent in the last fiscal year. If I could add one thing to your prior question, it is along the line of cost-effectiveness of treatment as opposed to alternatives.

In the area of outpatient treatment, it costs us in the State to New York to treat an individual for one year approximately $3500. In a residential drug-free area, it is approximately $13,000 for an adult and about $18,000 for a youth, because there is a higher cost in the vocational and education rehab area there. That same individual, and the linkage between crime and addiction has been established, in a correctional institution could cost as much as

$25,000 to $30,000. Sixty to seventy percent of those individuals are there because of drug-related offenses or have a history of drug abuse.

It makes no sense on a cost-efficiency basis not to afford treatment to those people willing to come in and access it, only to have them show up very soon down the line in a much more expensive environment.

That does not take into account in the least the social costs, the medical costs of dealing with the IV drug-using population when those individuals contract the AIDS virus and go into acute care hospital beds and drain costs of $100,000-plus on an annual basis.

Mr. GILMAN. Dr. Autry, would you care to comment?

Dr. AUTRY. You think the conclusions as outlined are clear that there is a need for treatment capacity? They also see the treatment, and I might add to that, prevention is very cost-effective in terms of the demands on society. I would say that whatever can be done to increase treatment capacity through combined Federal-State, local and private efforts should be undertaken.

Mr. GILMAN. Have all the Federal monies allocated under omnibus 1, the Anti-Drug Abuse Act of 1986, now been distributed to the States?

Dr. AUTRY. All of the fiscal year 1987 funds have been distributed.

Mr. GILMAN. What about fiscal year 1988 funds?

Dr. AUTRY. There are, I think, 19 applications in-house, 17 of those have been reviewed and funded.

Mr. GILMAN. What percentage of the 1988 funds have been allocated?

Dr. AUTRY. I don't know that answer. I can submit that for the record.

Mr. GILMAN. Can you give us an approximate amount?

Dr. AUTRY. Let me ask George Kanuck from our Block Grant Program.

Mr. GILMAN. Could he come to the mike and identify himself?

Mr. KANUCK. Sir, my name is George Kanuck. I am with the Office of Policy Coordination for the Alcohol, Drug Abuse, and Mental Health Administration. I am a public health analyst.

We do have information, sir, that indicates 19 States did submit applications, 17 of them, the applications have been awarded.

Mr. GILMAN. These are applications for what?

Mr. KANUCK. For the alcohol, drug treatment and rehabilitation monies for fiscal year 1988. A letter went out to the States in February of this year. Once we knew that Congress provided monies, this application went out, a relatively shortened application, very much the same as the previous year's application.

Mr. GILMAN. What is the total funds available under that program?

Mr. KANUCK. $155,917,000.

Mr. GILMAN. How much of that has been distributed?

Mr. KANUCK. If I can flip through my material here, I have the names of the States that sent in applications.

Mr. GILMAN. You said there are 19 States. How much in dollars has been distributed to those 19 States?

Mr. **Kanuck**. I am looking to see whether there is a dollar amount on that, sir.

Mr. **Gilman**. Can you give us an estimate of whether 50 percent, 25 percent of the total estimation is out there?

Mr. **Kanuck**. Not more than 25 percent is out there now. We have not received a number of the major States' applications.

Mr. **Gilman**. We are more than halfway through fiscal year 1988. You say 25 percent of that appropriation has gone to the States. What is holding things up?

Mr. **Kanuck**. The money for fiscal year 1988 was part of the agreement with the President that came into being late in 1988. I believe that was in December, where the budget agreement came about. At that point——

Mr. **Gilman**. You mean late in 1987?

Mr. **Kanuck**. Late in 1987. We had to receive approval in the Office of Management and Budget to go out and ask for it, another application which we had not anticipated, because the original monies in 1987 told us it would be 1-year funds.

Mr. **Gilman**. You sent those letters out in February?

Mr. **Kanuck**. Yes, February 26 or 28. I can supply that for the record. The States have been submitting applications after 3 weeks after that point.

Mr. **Gilman**. How many applications have you received?

Mr. **Kanuck**. Nineteen applications as of this last week, 17 have been reviewed and been completed. The awards have been made. We turn those around in the same less than 2-week period record that we have had in the fiscal year 1987 monies.

Mr. **Gilman**. Mr. Gustafson and Mrs. Lewis, have your States applied for these funds?

Mr. **Gustafson**. We got our notification request to apply in April, early April of this year. There is a requirement——

Mr. **Gilman**. The mail is slow, but not that slow.

Mr. **Gustafson**. There is no date on the letter, but we got our notification to apply in April. One of the requirements is that the State legislature conduct a public hearing before the Governor can certify the application and submit it to HHS for support.

That requires scheduling with the various authorization committees.

Mr. **Gilman**. Is that a Federal requirement?

Mr. **Gustafson**. Yes.

Mr. **Gilman**. Why do you need a public hearing?

Mr. **Gustafson**. That does not take into account that there were public hearings held on the block grant application, that the State budgetary process which requires, in the State of New York and other States, the Federal money be appropriated by the State legislature.

Mr. **Gilman**. Can I ask our Department people why do we need a public hearing at the State legislative level?

Mr. **Kanuck**. The Federal legislation for the ADTR block grant included a requirement that the State provide information, that they will in fact conduct a public hearing to allow a broad range of people to comment on how the monies are to be spent.

It was a relatively minimal requirement. This was not a large requirement in terms of actual space when the ADTR monies came into being. The thing is, in reality, when the States receive the money well into their fiscal years, they have to go about this process all over again.

And it is a time-consuming process, even though the basic requirements in the legislation, which is all we have to go on. All we ask for the States to do is to assure these things.

Mr. GILMAN. Does it have to be a full-scale legislative hearing?

Mr. KANUCK. We would be—we are open to any kind of guidance as to what interpretation that would mean. We see it as a public hearing. That is the minimal that we state from the legislation in the application so as not to further burden the States with anything more than Congress intended.

Mr. GILMAN. Mr. Gustafson, I interrupted your comments.

Mr. GUSTAFSON. No, sir. It was that the instructions we got were intended to be a public legislative hearing. It has been scheduled for next week, I believe. Our application will not be submitted until that hearing process concludes itself, assessing the public interest in that regard. The application has been drafted; it will then be submitted to the Governor for signature and transmittal to HHS.

Mr. GILMAN. How much funding is involved in your application?

Mr. GUSTAFSON. $7.5 million. (For drug abuse services.)

Mr. GILMAN. Mrs. Lewis, where does your State stand on these grants?

Ms. LEWIS. Our State will be utilizing these funds for continuation of the activities we began the year previously. We submitted our application and had to add one more form to it. We responded when the request came.

Mr. GILMAN. Have you received the funds?

Ms. LEWIS. I don't believe so.

Mr. GILMAN. How much have you requested?

Ms. LEWIS. It will be a little bit under $7.3 million total.

Mr. GILMAN. Thank you.

Thank you, Mr. Chairman.

Mr. GUARINI. Thank you.

From what I can understand, the law enforcement people said they wanted a strategy for the 50 different States. And then the strategy plan was approved of, that money would be given out. Does HHS have a strategy for treatment and rehabilitation—is there any national strategy out there where there is a plan as to how we are going to proceed in the future? Are we approaching it in a very unscientific and inappropriate way?

Dr. AUTRY. Specifically, HHS is planning for a meeting in Charlottesville on June 1st to 5th to address an overall AIDS strategy.

As part of that discussion, we will be providing input on IV drug abuse treatment and need for treatment facilities for an IV drug abuse.

This is part and parcel of our overall drug treatment and how to respond to that.

Mr. GUARINI. It seems by the time you have your programs, one Administration is over; another Administration begins. Then they keep talking to death and that Administration is over and we study it to death and we don't get anywhere.

You are a scientist, Doctor. You don't really have to study to know you are only doing 10 or 20 percent of the slots if the need is out there.

I mean, had your department asked for more money than $509 million for the alcohol and drug abuse when you initially put in your request for funds?

Dr. AUTRY. We have asked for the 1987 levels in both the block grants. What we have asked for and have received is an additional $40 million in terms of demonstration and treatment—technical assistance money.

Mr. GUARINI. But which is a pittance compared to what the problem is that is out there.

You don't even make an effort to ask Congress or make them aware of the concerns and needs that are out there in the streets.

Dr. AUTRY. We have tried to talk with the Congress and also with our colleagues in the States about that need and to form coalitions and collaborations wherever possible to make the most use of all existing funds, including that 16 percent of treatment funds the Federal Government supplies.

Mr. GUARINI. Do you have any incentive program for the private sector at all to get involved, the charities and individual groups that seem to, on their own, do so well?

Dr. AUTRY. We have had a number of meetings with foundations and private sector groups to try and stimulate their interest in substance abuse.

We have also been very pleased that the Department has built into the Federal employee program for health insurance coverage for substance abuse.

Mr. GUARINI. Well, while we are talking and talking and talking, is the problem getting worse and worse and worse?

Dr. AUTRY. We think the problem has probably been leveled off at this point. We have seen the most we are going to see for the short run.

One of the things we are very pleased about is for the first time in survey history when we did the household survey and the high school senior survey, there was a leveling off and a slight decrease in the amount of drug use that is going on in this country.

Mr. GUARINI. You mean the IV problem is getting—has leveled off?

Dr. AUTRY. The drug abuse problem, as a whole, has leveled off.

Mr. GUARINI. What do you know that we don't know that the whole program is leveling off? What is the basis of your information?

Dr. AUTRY. There are two surveys: the household survey, which includes drug information, and the high school survey.

Mr. GUARINI. Give me a break, Doctor. How do you feel? You are in the field.

In your respective States, is the problem exacerbating?

Mr. GUSTAFSON. That is not the statistics I am seeing in my State, Congressman. There may be a leveling off of the heroin problem in terms of the individuals that present—that are opiate addicted. It is more than compensated for by a dramatic escalation in the availability and use of crack.

Mr. GUARINI. Is that true also in Florida, Ms. Lewis?

Ms. LEWIS. Absolutely.

I mentioned a moment ago 63 percent of our current admissions for the first six months of this year are for cocaine, crack cocaine.

We also have a tremendous problem with cocaine babies. We have an average of 500 babies, a quarter being identified as born addicted to or involved with the substance of cocaine. It is absolutely the most critical drug we are dealing with right now.

Mr. GUARINI. I understand a national high school senior survey showed a dramatic increase in crack availability in high schools throughout our country.

Ms. LEWIS. It is something that our school system is extremely concerned about. I think we are seeing younger and younger age groups becoming involved with this particular drug principally because it is so widely available within Florida.

Mr. GUARINI. In the meantime, HHS and the U.S. Government just keep talking and talking and talking about the problem.

Mr. GUSTAFSON. Congressmen Guarini and Gilman, there is a real problem with the use of the high school survey to document the prevalence of the drug abuse problem in this country, especially as it relates to inner city areas like New York, Newark, Elizabeth, and others where the vast majority of others never get to be seniors in high school, therefore, don't show up in the survey.

Mr. GILMAN. Dr. Autry, are you convinced these surveys are inaccurate, that description of what is happening nationwide?

Dr. AUTRY. I am not convinced the survey is inaccurate. There are limitations on the surveys and in particular, the high school senior survey, there is a portion of the adolescent population, if you will, that we do not tap with that survey.

I think the other point to be underscored is we are talking about use when we are talking about these kinds of surveys. We are not talking about treatment capacity or treatment demand.

I think what has increased dramatically is the need for treatment, the demand for treatment.

Mr. GILMAN. Have you made recommendations to the National Policy Strategy Board with regard to treatment?

Dr. AUTRY. I am assuming you are referencing the National Drug Policy Board.

Mr. GILMAN. Whatever it is called. We have got so many of them out there.

Dr. AUTRY. It is hard to keep track of the alphabet. We have made recommendations to them about the need for treatment capacity.

Mr. GILMAN. What sort of recommendations have you made?

Dr. AUTRY. We have made recommendations that over the long run there is a need for increased treatment capacity to meet the demand for drug treatment and to help stem the drug tide in this country.

Mr. GILMAN. How long ago did you make those recommendations?

Dr. AUTRY. There was a preliminary set of recommendations made a few months ago, probably December. Maybe I can ask Roy Pickens, who is our Director of Research at NIDA.

Mr. GILMAN. Would you please identify yourself for the stenographer.

Mr. PICKENS. I am Roy Pickens, the Associate Director for AIDS at NIDA and also the Director of Clinical Research at NIDA.

Mr. GILMAN. Dr. Autry has said your department has made some recommendations to the Policy Strategy Board.

Mr. PICKENS. Yes. Let me say this for the record. I don't want you to get the impression that we have been sitting back idly while there has been an epidemic growth in drug abuse in this country.

Mr. GILMAN. I am afraid to say we are getting somewhat that perception.

Mr. PICKENS. I don't want you to get that perception at all. I think NIDA, in particular, has been looking at this problem over the last two years and we have been discussing these exact same issues and trying to get some very good data on what is needed in terms of treatment for drug abuse, what is needed in terms of addressing this problem.

Let me say this also: This is a complicated problem. It may well be that the household survey is accurate, that overall there has been a downturn in terms of drug use in this country.

However, what most people feel in terms of looking at that data is the fact there may have been a decrease in experimentation with drugs, but while there has been a decrease in experimentation with drugs, there has been a significant increase in terms of the more hard core patterns of drug use. That would be reflected in terms of crack use.

It would also be reflected in terms of intravenous drug abuse.

Mr. GILMAN. What is your department doing about it?

Mr. PICKENS. In terms of the particular recommendations of our department, what we have done is we have looked at the problem in terms of what is needed to be addressed to deal with the entire problem.

Mr. GILMAN. What did you determine is needed?

Mr. PICKENS. Well, we have determined that while everyone else is indeed saying that there needs to be an expansion of treatment capacity, there does seem to be a need for expansion of treatment capacity.

But our concern is that there is going to be other things that are needed in addition to more treatment slots.

Mr. GILMAN. What are you doing about that?

Mr. PICKENS. We think some of the things that are also needed include the training of people to provide the service within these slots.

We think we need additional professionals working in the field. We think we need additional paraprofessionals working in the field. We think we need more coordination of activities.

Mr. GILMAN. Have you made those recommendations to the Executive Branch?

Mr. PICKENS. These are discussions that are going on within the institute. They have now been elevated to the departmental level.

They are being considered, as Dr. Autry said, at the departmental level at the present time.

These discussions will continue as they relate to the problem of intravenous drug abuse and AIDS at Charlottesville at the meeting that is coming up on June 1st through 3rd.

Mr. GILMAN. When do we get to a point when these considerations become tangible recommendations that are going to be implemented?

Mr. PICKENS. When the department finishes with its analysis, I am quite certain the recommendations will be released.

Mr. GILMAN. When will that be?

Mr. PICKENS. I do not know the time frame.

Mr. GILMAN. Roughly, when do you anticipate in the normal course of events?

Mr. PICKENS. I think that one significant factor here will be the Charlottesville AIDS meeting.

Mr. GILMAN. When is that?

Mr. PICKENS. That is June 1st through 3rd.

Mr. GILMAN. After June, then you would have some specific recommendations to make?

Mr. PICKENS. The time frame for releasing recommendations from Charlottesville is the recommendations would not be released immediately thereafter.

There are several reasons for this. One is the fact that most of the people that are involved in the AIDS area will be attending the international AIDS meeting and we would like the input from international groups as well.

Mr. GILMAN. When would that take place?

Mr. PICKENS. That is sometime during the middle of June. So we are talking sometime after that before the Charlottesville recommendations will be made. I am sorry. I don't know exactly when that date will be.

Mr. GILMAN. Dr. Autry, we are in the process in the House of trying to put together an Omnibus II measure. We have a deadline near the end of June to try to put this together. I would hope that if you have some recommendations of this nature that you would pass them to our committee and to the appropriate task forces that are at work, the Executive Branch task force wants a 45-day decision on where we are going and what to do about it.

Do you anticipate you can have those recommendations prepared for our committee and for the Executive Branch task force?

Dr. AUTRY. I cannot tell you whether we can or not. I can tell you we will make every effort to have available for you whatever information you need in terms of an Omnibus II.

I might also add just in reference to Roy's comments that we are already beginning folding the recommendations that we anticipate coming out of Charlottesville into our planning process for late 1989 supplementary, but for 1990 budget plans.

This is not a meeting that is standing in isolation from the normal process.

Mr. GILMAN. I hope your folding room is more expeditious than the House folding room.

Mr. GUARINI. I hope you have a wonderful convention, but the National Drug Policy Board already addressed these concerns. They already spoke out. They didn't say, "Appropriate any kind of resources or dedicate any kind of way of getting the matter ameliorated."

Are you in contact, in touch with the National Drug Policy Board and do you make these concerns known to them? What is the relationship that you have with the National Drug Policy Board? Do we know what the National Drug Policy Board is doing?

Dr. AUTRY. A couple of comments.

Number one, the National Drug Policy Board is not an entity unto itself. The work of that board is in point of fact in large part carried out by the various agencies and the Departments of the Federal Government who are intimately involved with that board on an ongoing basis on the demand side.

We have representatives on the Treatment Subcommittee, Prevention Subcommittee, High Risk Subcommittee, the Education Committee.

Dr. Lane Johnson, who is here from the Office of Substance and Drug Abuse, works in the prevention area. Dr. Schuster chairs the Treatment Subcommittee. So, HHS is intimately involved in the day-to-day working.

Dr. Ian Macdonald is the President's Adviser on Drug Abuse Policy and heads the Drug Abuse Policy Office.

I can tell you there is not a day that goes by that we don't have a Big Mac attack or Big Mac discussion with that board.

I think one of the things you are seeing is much of what that board and the department has been doing and what our agency has been doing has really moved from the discussion phase to talking about how best to implement what specific recommendations and what is under discussion within the National Drug Policy Board at the present time is a legislative implementation, legislation proposal discussion, not more sort of discussion for discussion sake.

Mr. GUARINI. Well, I hope our President in the meeting that he has with the Secretary General of Russia, Gorbachev, in a short period of time we come to a lot of conclusions we don't seem to cover in treatment and rehabilitation for people in our country. I just think it is shameful. I think it is pathetic that we should move as slow as we have moved.

I know, Doctor, you have been very frank and very forthright and I know as a professional, you probably feel very deeply about the issue, but I wish we could get out of the talk stage and start doing something about the problem.

Dr. AUTRY. That is our goal.

Mr. GUARINI. Thank you. Thank you very much.

TESTIMONY OF DICK HAYS, DIRECTOR, DRUG ABUSE PREVENTION OVERSIGHT STAFF, DEPARTMENT OF EDUCATION

Mr. GUARINI. Mr. Dick Hays, Director, Drug Abuse Prevention Oversight Staff, Department of Education; and Mr. Steven Hicks, Division Director, Alcohol and Drug Defense Program, Department of Public Instruction, State of North Carolina.

I want to thank you gentlemen for being so patient. We are considerably behind schedule and your statements don't need to be read. The full text will be placed in the record. Perhaps you can make some comments based on your statement.

Mr. HAYS. Thank you, Mr. Chairman.

I am pleased to be able to testify on behalf of the Department today on our substantial progress in implementing and administering the Drug Free Schools and Communities Act.

I would like the complete statement to be entered and I will just touch on the highlights so we can move ahead.

Mr. **Guarini**. Thank you.

Mr. **Hays**. First I would like to report on the Department's progress in awarding grants to States and local school districts.

By June of last year, 48 States had received their Federal grants.

By the end of February of this year, 86 percent of the total funds available to LEAs had been awarded.

At this time, 81 percent of our local education agencies have elected to participate in the program.

In addition, all the Governors have received their awards. Projects are now being implemented at the local level.

The latest report indicates 71 percent of the Governors' money is funding projects that are underway.

Overall, we are pleased with the prompt distribution of funds and implementation of the programs. It isn't that we didn't encounter a few problems; we did.

The principal problem was how funds would be allocated to LEAs.

As you recall, the law required that it would be based on the population of ages 5 to 17. We recommended that it should be consistent with other education programs and be based on school enrollments. That was remedied in H.R. 5.

Shortly after the Anti-Drug Abuse Act became law, the Department forwarded to Congress its ideas and thoughts on how we could remedy the technical errors and increase meaningful accountability and reporting requirements.

The Department has already begun its efforts to monitor the State for detailed information on the implementation and the operation of the State and local programs.

We have now visited four States. We will visit 11 before September.

This summer we will be awarding a contract for a study that will provide useful information about programs, how we are really doing, future legislation and improved program management.

In an effort to ensure program effectiveness on a day-to-day basis, the Department staff provides technical assistance as problems arise.

We have sponsored two national conferences. The latest was early this week to get information out to States and to Governors' offices and to others about things that they need to know in order to administer the law more effectively.

As you are aware, the Secretary has been out in the forefront and has worked forcefully to advance effective measures for ridding our society of illegal drugs and making schools drug free.

I would like to highlight some of the things we have done. We have distributed over 2 million copies of "Schools Without Drugs," our drug prevention handbook.

Every 2 months we distribute 200,000 copies of "The Challenge" newsletter, which is practical advice to schools, parents and to others about drug abuse prevention.

We have just finished our Drug-Free Schools Recognition Program where we made awards to 30 schools a week ago.

Audio visual materials will be available soon—eight contracts were let last summer, and the resulting videotapes will be distributed to school districts this fall.

The five Drug-Free Schools regional centers funded by the Department are up and operating.

Guidance to States on selecting drug prevention curricula will be available to school districts this fall.

The Network for Drug-Free Colleges, we are working with 25 to 30 colleges in promoting drug abuse prevention activities at the higher education level.

In addition, we have worked with our colleagues at the Federal level on many joint efforts, including the National Clearinghouse for Alcohol and Drug Information, steroids campaign with FDA, and the National Collegiate Drug Awareness Week with HHS.

Mr. Chairman, I will be delighted to answer any questions you might have.

Mr. GUARINI. Thank you very much, Mr. Hays.

[The statement of Mr. Hays appears on p. 256.]

Mr. GUARINI. Mr. Hicks?

TESTIMONY OF STEVEN HICKS, DIVISION DIRECTOR, ALCOHOL AND DRUG DEFENSE PROGRAM, DEPARTMENT OF PUBLIC INSTRUCTION, STATE OF NORTH CAROLINA

Mr. HICKS. Mr. Chairman, Mr. Gilman, thank you for giving me the opportunity to be here.

It is interesting that we have made a progression in the committee this morning moving from law enforcement through treatment and now to prevention and intervention, because I think generally that is where we have moved throughout the country.

I will not read the statement, but would like to add some thoughts and comments based upon the statement that I submitted in writing and some of the discussion that I have listened to, as you have, this morning as it pertains directly to school-based and community-based services.

I think previous supply and demand reduction strategies have been clearly ineffective.

When we talk about demand reduction strategies, we clearly have to address both school-based and community-based strategies if we are, in fact, going to win this war.

Those demand reduction strategies historically have concentrated on treatment, worked their way backwards to early identification and intervention, and finally now focus on concentrated effort on K through 12 prevention in public schools.

What does work at the school-based level, we have learned, is a comprehensive prevention effort that involves families, that involves community groups, and that involves the media.

There must be a comprehensive integrated K through 12 core curriculum around alcohol and drug abuse. That curriculum must be supported with integrated learning at each grade level if, in fact, we are going to be effective and successful in this effort of prevention.

Prevention strategies and approaches, we have learned, have to be based upon a broad social, psychological approach that is developmentally appropriate, beginning at the K elementary level, working our way to the 12th grade. It must be sequential along those grade spans.

There has to be an effective school-based early identification and intervention strategy in the schools to try to prevent the numbers of people who are, in fact, currently needing more extensive and more expensive treatment services.

We believe those strategies can be effective and employed within the boundaries of school programming.

Community-based services clearly have to be added to school-based services if, in fact, we are going to be effective.

Schools are the only logical institution to provide leadership in this arena, because that is where the children are.

Listening to the law enforcement discussion earlier this morning, and their referral back to demand reduction strategies, reminded me of a statement made by Willie Sutton when he was asked why he robbed banks.

He said, "That is where the money is."

Obviously we have turned to schools because that is where the children are.

Schools have the legal authority to reach parents and obviously to reach children.

Schools are the site where parents' educational, social and developmental aspirations for their children are realized and where the economic potential of tomorrow's citizens is nurtured.

It seems that if schools fail to instill in our children the will to resist the allure of drugs, our schools will ultimately fail to fulfill the mission that society has given to them.

In order for that to really work and to be effective, schools must manage the delivery of that program internally.

It seems that this is the long-term significance of what I perceive to be a shift in public policy represented at the Federal level by the Drug-Free Schools and Communities Act and in North Carolina by legislation passed by our general assembly to place clear responsibility on public schools for the delivery of K through 12 prevention, early identification and intervention programming.

What our State general assembly has done is to try to establish a very simple management philosophy that schools are responsible for prevention and intervention, and that community programs operated by the Department of Human Resources are responsible for coummunity-based services. These services include prevention, intervention with school dropouts, and treatment services that need to be provided to those individuals needing that level of care.

The Drug-Free Schools Act at the Federal level, I believe, is really the first substantial moment when the U.S. Department of Education was given primary responsibility to internalize the management of that service.

I make that point because I think if we are going to be effective, the problem is so broad and so big, as the members of this committee clearly know, that we have to divide the responsibility.

We have to establish accountability for the delivery of school-based and community-based services and manage and evaluate the implementation of that if, in fact, we are going to know what does really work.

That shift in public policy, as I said, occurred prior to the Drug-Free Schools Act in North Carolina in 1985 when the general assembly placed primary responsibility on our Department of Public Instruction for prevention, early identification and intervention services.

I would like to move to the recommendations that I have submitted to you and speak briefly about those.

I think the real question is will we say yes to what we know works and will we then establish a reasonable level of funding to sustain and expand those efforts?

I think we have heard enough of "Just Say No." I think it is time to say yes to some things that we know work.

Will we balance our strategies to reduce supply with our efforts to reduce demand, since we know supply reduction alone will not solve the Nation's problem with drugs?

The first recommendation that I have made to you is that Congress should firmly state that alcohol is included as an integral focus to building drug-free schools.

Like the statewide survey that we conducted in North Carolina, almost every survey that has been conducted of this problem in the Nation indicates that alcohol continues to be the number-one drug of choice by adolescents.

We look at a treatment system that has been established for adults with a rapidly decreasing age of first use.

We have to begin to understand that we have to implement a balanced approach.

I think Congress should state very firmly; that that is a part of building drug-free schools.

Secondly, I think Congress should expand program evaluation and research funding to the U.S. Department of Education, to other agencies of the government, and to their respective State counterparts to evaluate programs that are being implemented with Federal program funding.

Having worked in this field since the early seventies, I have experienced in the early seventies large research and evaluation budgets at the Federal level with few programs to evaluate to a point today where there are thousands of programs implemented in schools across the country with very few dollars to really carefully evaluate the effectiveness of those programs.

Federal strategies and agencies, I think, have also experienced a transition when those agencies work directly with the States.

Part of that discussion occurred earlier with the previous panel.

Now that model has changed to one in which Federal Government works through States to local communities.

That clearly is indicative and important when we are talking about school programs across the country.

My third recommendation is that Congress should evaluate the minimum level of State management needed to sustain a comprehensive school-based program and establish a commitment to work with States to maintain a sustained level of financial support.

Currently in the Nation there is a broad range of staffing at the State level to implement again what I perceive as a major shift of public policy to place primary responsibility on schools.

Some States have a part-time individual at the State level to implement that program. Others have more extensive staffs.

We have 22 professionals in North Carolina working to implement the school-based programs at the State level.

Congress, I think, also should explore new mechanisms for the delivery of technical assistance that flows from the U.S. Department of Education (sometimes through the regional centers that have been funded), through the SEAs and down to the local school districts.

This is a new program, a new responsibility on public schools.

We have 60,200 teachers and other support personnel in North Carolina working to try to integrate a K through 12 program of prevention and intervention.

Clearly those people need training. They need support.

A mechanism to see that that is delivered in some consistent way throughout the country, I think, is critically important.

Congress, I think, also should support the expansion of college and university courses to prepare all school personnel and health professionals for the delivery of alcohol and drug services for children, adolescents and adults.

I think there are funding mechanisms that you have working with college and universities clearly to establish that as a priority.

It still is a significant problem that school professionals and health professionals are not required to take course work in the area of alcohol and drug prevention.

Finally, Congress should act as quickly as is feasible to establish the future funding commitment for public schools to internally manage that K through 12 prevention and intervention program.

Many States continue to speculate and question, "is this a program that is going to continue in public schools?" Is it going to end after the 3 years or before that time?

That leaves a great deal of doubt and question in the minds of many State education agencies across the Nation as to what is going to happen and how to best plan and manage that.

It seems to me that the above strategies are our best and only real hope for a Nation which is at social and economic risk due in large measure to massive alcohol and other drug use by children, youth and adults.

I certainly am happy to answer questions that you may have.

Mr. GUARINI. Thank you very much.

[The statement of Mr. Hicks appears on p. 266.]

Mr. GUARINI. Some of those recommendations that were made by Mr. Hicks, Mr. Hays, could you comment on them? Do you agree that there is a prime responsibility that the Federal Government has in education or is it the view of the Department of Education and Secretary Bennett that the problem is a State and local problem and the Federal Government does not share in a leadership role in this responsibility?

Mr. HAYS. We believe the Federal Government and the Department share a leadership role along with the States and local units of our government.

We realize where the problems really are and a major part of our strategies and programs is to move resources and the assistance to where it is really needed.

Mr. GUARINI. What is the Federal program in our Nation's schools then? Have you developed a curriculum?

Mr. HAYS. No, we haven't.

Mr. GUARINI. There has been talk of development of curriculum for some time now. It was requested by this committee to develop a curriculum.

Why is there a failure to do that throughout our country?

Mr. HAYS. I don't think there is a failure to develop a curriculum. I think there is a disagreement about the Department's role in developing a curriculum.

The Department has not developed a curriculum, but what it has done is made a major investment over the past year to provide guidance and assistance so that school districts, schools, and State education agencies will have means of evaluation, deciding what type of criteria, how to go about making a decision on a curriculum, how a curriculum fits in, what types of curriculum, what should be involved and included in that curriculum. That guidance will be available this fall.

Mr. GUARINI. Has any guidance and assistance been given to the schools of North Carolina, Mr. Hicks?

Mr. HICKS. Yes, sir.

Mr. GUARINI. From the Federal Government?

Mr. HICKS. The comments that Mr. Hays has made have been made available to North Carolina in terms of what the Federal Government is doing and how it is planning to establish standards basically to guide the development of curricula at State and local levels.

Mr. GUARINI. I assume these standards haven't been set yet.

Mr. HICKS. No, sir. That report has not been submitted to the States.

Mr. GUARINI. Have requests been made for help from the Federal Government in the education and demand side of drugs?

Mr. HICKS. I think yes, those requests have been made, particularly in terms of helping States to understand what curricula that are already on the market is, in fact, effective.

There are a number of what we would call prepackaged curricula that preceded the Drug Free Schools Act that many schools were using, either at a K through 12 level or at a junior or senior high level and there have been a number of questions about evaluation of those curricula packages. That has not been accomplished yet.

Mr. HAYS. Mr. Chairman, could I comment?

Mr. GUARINI. Yes.

Mr. HAYS. One of the most often requested items during the Regional White House Conferences for Drug-Free American, in terms of the Education Committee was for the guidance and assistance that the Department is preparing.

I would like to indicate the critical issues that this guide will consider.

The role of curricula in the context of a comprehensive community-based prevention program; the important, consistent no-use message that must be in any curriculum school use; what needs to be done prior to organizing a program or selecting and implementing a curriculum, and important procedural considerations that can affect such a process.

I think this gives you an idea what would be included in this guide.

Mr. GUARINI. Well, now, you mentioned, Mr. Hicks, there should be an information gathering effort between the local and State governments so that you can share in the technical information and data base in our country so that you can benefit from what has worked in the other States.

Mr. HICKS. Absolutely.

Mr. GUARINI. Has the Federal Government played any role in that to date?

Mr. HICKS. It has happened at the two conferences that the Department has hosted.

It is happening at least in the Southeast where the regional center, that has been funded brings together members of the State Education agencies, who are leaders for the Drug-Free Schools Programs in those Southeast States; periodically, on an advisory board. One of the functions the State Education Agency representatives play is to share what they are doing in their States and how they can assist each other in implementing the provisions of the Act.

Mr. GUARINI. Has the Federal Government given a sufficient commitment from your perspective in regard to the educational field? Have they played a leadership role in working with the States?

Mr. HICKS. I think the Department staff has attempted to play a leadership role. I think clearly there is not a sufficient effort underway in public schools in this country to address the magnitude of the problem at the Federal, State or local level. The resources are not there.

The knowledge base currently is not there to effectively do the job.

Mr. GUARINI. What was the budget that was requested this year, Mr. Hays?

Mr. HAYS. For fiscal year 1989?

Mr. GUARINI. For the Education Department to attack the demand side of drugs in our Nation?

Mr. HAYS. To further administer and implement the Drug-Free Schools and Community Act, it was $250 million, which is the maximum authorization of that statute.

Mr. GUARINI. Which is approximately $1 per capita if you look at it with a nation our size.

Mr. HAYS. I think looking at the school children in the United States it would be approximately $2 per child.

Mr. GUARINI. That is the full effort the Department of Education has played as far as resources are concerned?

Mr. HAYS. I think the resources are to do what we can to effectively address drug abuse in America through the school systems and the State Education Agencies and Governors' offices, provided those resources are used in meaningful ways: where we know it is going to do some good and provide assistance.

We have started a new program over the past 2 years and have placed the foundation into place and I think a lot of progress is being made.

Mr. GUARINI. You mentioned there are 2,000 copies of The Challenge, which is your newsletter.

Mr. Hays. Two hundred thousand, sir. It is a bimonthly publication.

We have been delighted to share it with Congress and it has appeared in some of the newsletters that some of you send out.

We think that is a good idea, particularly when we included such things as tips to parents.

The newsletter provides very practical guidance to schools about what is working and what isn't.

Mr. Guarini. What does the mailing list consist of? All the public schools in the country, to 85,000 public schools?

Mr. Hays. It goes to superintendents, all principals, State Departments of Education, parent groups, community groups, and certainly it is available through the National Clearinghouse. We plan to expand that mailing list as much as we can.

Mr. Guarini. So with 85,000 schools, does that seem adequate to have a newsletter of 200,000 if all this good information and tips are contained in that? That seems to be 2½ letters per school.

If you have PTAs and administrators and teachers, it doesn't seem—and parents—it doesn't seem like you are trying to get your message out strong enough.

Mr. Hays. I think we are doing a very good job considering where we started and what we have now, sir. We can't have something that is going to blanket America. The material is not copyrighted and we allow everyone to choose what they like, put it in their own newsletters, and we are delighted that is being done. Part of the role of our schools is to make sure that information in there is shared.

We think the way we are distributing it is cost-effective.

Mr. Guarini. What steps is the Department of Education taking to evaluate the State and local government programs that are being funded?

Mr. Hays. Well, when I highlighted my testimony, I indicated that we have begun our monitoring processes, and that is where we visit the states in an organized and systematic way, and find out how they are implementing the law, and any problems they might encounter, and how well they are doing in managing their programs.

In addition, I indicate that we would be funding a study this summer. And that study will be looking at such questions as how states are administering and overseeing the implementation of this act, what kinds of organizations are receiving funds from this statute, what kinds of services and programs are being implemented, how the State officials are collaborating and working together, and what is the impact of the Drug-Free Schools and Communities Act is.

In addition to that, that contract will make recommendations on how to develop better evaluation standards. And will be looking at more feasible ways of studying and conducting longitudinal studies.

Mr. Guarini. Have you asked for a strategy or a plan from every state in order—before you started distributing the money?

What is your program for distribution of the money?

Mr. Hays. The law is very specific in terms of how we distribute it, particularly as it goes to State and local governments.

Mr. Guarini. Sometimes regulations change things.

Mr. HAYS. One of the priorities of our Secretary was when the Drug-Free Schools and Communities Act was passed was to move the funds out quickly. He gave instructions that he didn't want red tape to stand in the way.

Since he is our boss, we followed those instructions to the letter. We moved the money out quickly.

In lieu of regulations, we developed nonregulatory guidance, because we could do it faster. And we got that information out to the States, they looked at it, got back to us, and we started getting the money out to the States.

In terms of the requirements of the States and what we ask of the States is that they assure the Secretary that they are going to follow the law, that they had done as the law required with sufficient coordination. The requirements for them to get their funds were, basically, their assurances.

They told us they would do the right thing. We moved the money to them as quickly as possible.

Mr. GUARINI. Did you, do you have any check or accountability as to how effective your programs are?

Mr. HAYS. We are in that process now. We are in daily communication with most of the States, trying to assist them in getting the programs operating, seeing how they are doing, seeing if they are running into any problem.

Mr. GUARINI. You go into States, and you assist them on the spot? Do you go into the——

Mr. HAYS. We assist them on the spot over the telephone most of the time. When we do visit States in terms of monitoring, that is not only just to visit, as a steward of Federal funds, but also to assist them if they have problems, and help get them resolved.

Mr. GUARINI. Do you go into the school districts?

Mr. HAYS. There are some visits to school districts during the monitoring trips.

Mr. GUARINI. My school district is the Jersey City Board of Education, which has been in the news very much these days. Have you been there?

Mr. HAYS. No, I haven't.

Mr. GUARINI. Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman.

I welcome our panelists before us.

Mr. Hays, in the evaluation, you are in charge of oversight for the Department of Education. Do you feel that what we have been doing with regard to education has been substantive and meaningful and effective?

Mr. HAYS. Yes, I do, sir.

Mr. GILMAN. Have you made any recommendations for improvement as a result of your oversight?

Mr. HAYS. Well, there are two types of recommendations I make, those that are internal, if things aren't moving very well. And then, what we would need to do to improve the effectiveness of the statute.

Mr. GILMAN. We are in the process of trying to put together Omnibus II, as we mentioned earlier. I think you were here when we commented on that.

Do you have any recommendations for us with regard to Omnibus II, Anti-Drug Act of 1988, as to how to be more effective with regard to the prevention program?

Mr. HAYS. A number of our recommendations to you would be similar to the ones we provided to you before. We still believe we need to strengthen accountability and reporting requirements.

We feel that there may be justification to provide administrative funds for the Office of the Governor so that they can better administer their portion.

We feel that we need to make some slight adjustments in terms of the way the high-risk program is run, so that we can maintain the integrity of the program, but still not—have the program exclusively and 100 percent for just high-risk youth.

Mr. GILMAN. Could you explain that a little more?

Mr. HAYS. Now the way it works in terms of the high-risk youth programs is the programs can only be funded if they serve 100 percent high-risk youth. If you had one other person who was not designated "high-risk youth" in there, the program could be compromised.

We feel as long a that program is geared toward high-risk youth, and the integrity of that is upheld, and there are some people participating in the program who are not high risk, this would not destroy the meaning of that program.

Mr. GILMAN. Those are the only recommendations? Strengthening the accountability, the administrative funds for the Governor and opening up the high risk youth programs?

Mr. HAYS. Basically, those are what we have shared. Let me see. I might have missed one or two.

Mr. GILMAN. Are there new initiatives you would suggest that we have not embarked on?

Mr. HAYS. I think our initiative is to make sure this law is carried out well and effectively, and to make sure we use discretionary funds in wise and effective ways. We think the investments we have made are coming to fruition.

And with the implementation study that we are going to be conducting, we will be in better shape to really provide good guidance and advice on what we need to do to improve the program.

Mr. GILMAN. You think we have pretty much covered what should be done by way of education in Omnibus I?

Mr. HAYS. Those are the recommendations I think we have shared with the Senate, Mr. Gilman.

Mr. GILMAN. What about what Mr. Hicks was suggesting? Do you want to comment on any of his recommendations?

Mr. HAYS. I would have to ask Steve for a recount of all those. I would be happy to take a look at them.

Mr. GILMAN. How about for expanding the evaluation and research funding?

Mr. HAYS. We are already underway expanding our evaluation functions and more expansion of that is currently being discussed.

In terms of research functions, our priorities in getting this legislation off the ground was to get information out that people could use immediately. We did not engage in long-range research. We feel that other agencies are already involved in that.

Mr. GILMAN. You don't see a need for research in the Department of Education in this area?

Mr. HAYS. I think there could be. I would be delighted to talk to Mr. Hicks about how and which ways he would see the Department providing that type of service. It is quite conceivable that some types of assistance may be already available and authorized in the current legislation?

Mr. GILMAN. What about the recommendation of exploring new mechanisms for the delivery of technical assistance that flows from the Department of Education regional training centers through the State education agencies to the local education agency?

Mr. HAYS. I think Mr. Hicks has a very good point. We need to be working together on that. We have begun. We just started our five regional centers.

One of the things that we placed as a priority is these regional centers must work with State education agencies. We want that to happen. They are one of our primary audiences.

Mr. GILMAN. Have you revised their approach?

Mr. HAYS. I think we are in the process of making sure that it works. And if it isn't, we are going to fix it. Because we agree that the regional centers must be providing a service to their primary clientele, that must be a satisfactory service to the State education agencies.

Mr. GILMAN. Are we providing enough funding to take care of the commitment to make certain that the public schools are managing internally on prevention and intervention?

Mr. HAYS. I think we are providing adequate funds for them to address these issues. Certainly we do not see that funding and the support for all the efforts related to drug abuse in our schools comes from the Federal Government.

I think we are paying our share in getting our programs going. I think the implementation study will give us more information—that money meeting its targets as we intended?

Mr. GILMAN. What are we doing about supporting the expansion of college and university courses to prepare school personnel and health care professionals for the delivery of alcohol and drug services?

Mr. HAYS. One of our discretionary grant programs is really devoted to providing support to higher education institutions for in-service and pre-service training. And particularly for elementary and secondary school teachers.

Mr. GILMAN. Are the regional training programs working properly? Who is keeping an eye on them?

Mr. HAYS. We all are. We think that is a flagship investment of the Department. And our staff is in daily contact with them. We attend their advisory meetings.

Mr. GILMAN. Who manages these regional centers? Is that Federal, State or local?

Mr. HAYS. The Department of Education monitors the cooperative agreements awarded to these entities. Part of their agreement is for each of those regional centers to develop an advisory group, which consists of representation from State education agencies and other appropriate groups in those regions.

Mr. GILMAN. It is really an administrative function of the regional States around the centers? Is that what you are telling us?

Mr. HAYS. I think the regional centers are the technical assistance arm of the U.S. Department of Education and they have a partnership arrangement with the key entities in those States in their regions. We want the State education agencies to be involved.

We want to be providing services that the client feels the needs, not only in terms of training, but also in a broad range of services.

Mr. GILMAN. Who hires the directors for these regional centers? Who provides the administrative personnel?

Mr. HAYS. Cooperative agreements were awarded via a national competition. In their proposal, those who are competing specify how hiring is going to be conducted.

And awards are made accordingly. In the process of negotiations if we feel that areas need to be strengthened a bit, we do that. In terms of the oversight from the Department of Education, it is steady and frequent.

Mr. GILMAN. Give me a bit of a run through on how a regional center is established.

Does it come from Washington; the States? Who establishes it, and who administers it?

Mr. HAYS. Well, we set up five geographical districts of the United States.

Mr. GILMAN. Where are they? How does a district regional center work? Walk me through that procedure. How do you get them established?

Mr. HAYS. You mean how do they win the competition?

Mr. GILMAN. Who competes?

Mr. HAYS. Any nonprofit organization entity. It could have been a State education agency. It could have been a school district. It could have been a parent group. It could have been a group that put itself together to provide these services.

Mr. GILMAN. Your department sits and waits for some non-governmental group to get together out there to create a regional center?

Mr. HAYS. No. We try to use the laws the best way we can to provide the best service.

Mr. GILMAN. Are all the regional centers now functioning?

Mr. HAYS. The Department has five centers.

Mr. GILMAN. Is that the limit on what can be established?

Mr. HAYS. That is what the law specified. The law said there shall be five centers.

Mr. GILMAN. Are the five centers functioning?

Mr. HAYS. Yes.

Mr. GILMAN. Fully staffed?

Mr. HAYS. Yes.

Mr. GILMAN. They are administered by local people?

Mr. HAYS. They are administered by the management of that regional center with the oversight by the Department of Education, with the help of advisory committees, including such state coordinators as Mr. Hicks.

Mr. GILMAN. Does funding go out to them from the Federal Government?

Mr. HAYS. Yes.

Mr. GILMAN. All of their funding?

Mr. HAYS. Yes, in terms of the regional center, the Federal Government provided their funding.

Mr. GILMAN. How many teachers have been trained at the five centers in the past 2 years?

How many since 1986, when we adopted the Omnibus Anti-Drug Act of 1986, how many teachers have been trained?

Mr. HAYS. I can provide that. I don't have a number for all those teachers that have been trained.

Mr. GILMAN. Could you make that available to the committee at a later date?

Mr. HAYS. We know how many they are, but I don't have them aggregated totally. We have progress sheets from each of the regional centers on how many teachers they have trained and what they have done.

Mr. GILMAN. If you could make that report available to the committee?

Mr. HAYS Since the regional centers were funded in October 1987, approximately 4,000 teachers and other school/community personnel have been trained through the school team training process.

Mr. GILMAN. Mr. Hicks, are you familiar with the regional center in your area?

Mr. HICKS. Yes.

Mr. GILMAN. Is it effective?

Mr. HICKS. It is just getting implemented, sir. It is fully staffed. There are training institutes being conducted by that southeast regional center.

Mr. GILMAN. Where is it located?

Mr. HICKS. In Atlanta.

Mr. GILMAN. How many States will it be servicing?

Mr. HICKS. I think there are 8 States—or 10.

Mr. GILMAN. Any teachers been trained there yet?

Mr. HICKS. They have trained school-based teams in two of the States as this date. Our State has not participated in training at that institute.

Mr. GILMAN. How many teachers have come out of those two teams?

Mr. HICKS. Their plan is to serve six, 10-member teams in each State.

Mr. GILMAN. How many have been trained to date?

Mr. HICKS. I am assuming, based upon that, approximately 100 people have been trained by that center at this date.

Mr. GILMAN. Have you talked to any of those teachers?

Mr. HICKS. In the other States, no. We have not conducted that training in North Carolina. I have not talked to anyone directly who has been a recipient of that training.

Mr. GILMAN. Mr. Hays, has your evaluation team talked to any of the teachers who have been trained in centers to determine whether it is an effective training program?

Mr. HAYS. I am not sure that we have done that, sir, but I will be delighted to check.

Mr. GILMAN. I would think that might be appropriate.

Mr. HAYS. We will be talking to teachers trained by each of the regional centers during site visits planned for next year.

We talked to advisory members. I know that we have been there during their planning sessions.

I think we have had staff attend their training programs, at least for some of the centers. And I am sure that they had a chance to talk to the teachers and get evaluations.

Mr. GILMAN. There has been a great deal of talk about legalization of late. How would that affect your prevention issue if legalization were to come about?

Mr. HAYS. The Secretary made the Department's position very clear last Tuesday at our conference when he talked with all the State coordinators. I want to be fair to the secretary's eloquent words.

In effect, he said that the legalization discussion pulls the rug out from all of our education and prevention efforts and the hard work we have been about for the last several years.

Mr. GILMAN. Do you agree with that?

Mr. HICKS. Yes.

Mr. GILMAN. Mr. Hicks, what assistance do States and local school agencies in North Carolina receive from the Department of Education, to help in what you are trying to do?

Mr. HICKS. At this point we have received little assistance from the department. At the time of implementation of the act we developed a statewide plan for implementing a comprehensive K-12 prevention intervention program. That plan is a part of the attachments to my report.

It was circulated to 140 school districts to assist them in knowing how to apply to us for funds. That was developed almost immediately and prior to a request for proposal being sent out from the Department of Public Instruction in North Carolina.

Mr. GILMAN. Essentially, you receive very little help from the Federal Government with regard to any of these programs?

Mr. HICKS. Directly in terms of technical assistance, no, sir, we have not.

Mr. HAYS. Mr. Hicks is an outstanding coordinator who had his agency together a long time before the Drug-Free Schools and Communities Act was implemented. We might turn to Mr. Hicks occasionally for advise.

He was one of the coordinators that we have used at our conference to present innovative and interesting ways States can go about providing the leadership that they should.

Mr. GILMAN. What about—it is nice to put Mr. Hicks in the position of administering the federal program. But what about——

Mr. HAYS. I did not say that. I said we are delighted to pick up information where we can, and Mr. Hicks is running his program well.

We have a lot of other places where we can devote our attention.

Mr. GILMAN. Mr. Hicks, do you see a need for some Federal technical assistance, a support for what you are trying to do?

Mr. HICKS. In accordance with the recommendations I have made, I think there has to be a clear understanding that schools are expected to be responsible for the internal management and delivery of the K-12 program.

I think that message is yet to be made clear nationwide. I think it has been made clear in our state by our general assembly in our interpretation of the expectation of this act.

I think given that, there must be a top-down clear management focus from the U.S. department, if those regional centers are to be incorporated in the division of technical assistance, I think their service delivery needs to be tied to the expectations of the act. That needs to flow through the States to the school districts.

I am not certain in every case that that is happening. I think that top-down approach was a good accountability measure tied to it is what we must demand if, in fact, we are going to have good management of these services and use of these dollars.

Mr. GILMAN. Mr. Hays, would you care to comment on that statement?

Mr. HAYS. I thought it was a very eloquent statement. I would have very little to add.

Mr. GILMAN. Then you agree that you need a little more assistance, to provide a little more assistance to the States; is that correct?

Mr. HAYS. I think what we want to do is take one step at a time. Let's learn what we are doing with the Drug-Free Schools and Communities Act, make sure it is administered well.

Let's look at the progress being made in a systematic way. That is what we are about to do, and where we think there are areas where we need to make those increases, we will take a look at that.

Mr. GILMAN. Mr. Hays, have you met with the National Drug Strategy Policy Board, or whatever the correct title is?

Mr. HAYS. Yes. We have frequent contact with the National Drug Policy Board.

Mr. GILMAN. Have you made any recommendations to them?

Mr. HAYS. Some of our recommendations were presented several weeks ago when the National Drug Policy Board was before you in terms of the prevention strategy. And we are part of that, yes.

Mr. GILMAN. I would be pleased to yield to the chairman.

Mr. GUARINI. Do they accept all your recommendations?

Mr. HAYS. I think they accepted our submissions, yes, sir.

Mr. GILMAN. Is there anything you would like to recommend to this committee as we work on the Omnibus II measure that could be helpful in the education responsibilities and our responsibilities to try to make the prevention programs more effective?

Mr. HAYS. I hope that we have shared with you and the rest of the Committee over a long period of time our best judgments and best information. We will continue to do so.

Mr. GILMAN. Thank you.

Mr. GUARINI. Mr. Hays, I understand at one time there was a question as to whether or not the Federal Department of Education commitment was there to help the States and the local school boards. In fact, there is even talk of dissolving the Department of Education.

Is there now a commitment that exists on a part of the Federal Department of Education to help the States and local school board, that it is not just their problem, that it is a federal problem as well?

Mr. HAYS. I think we are exercising that leadership role in a meaningful way right now, sir.

Mr. GUARINI. The commitment you say is there?

Mr. HAYS. Our commitment is to administer the Drug-Free Schools Act with the best of our ability and with great dedication.

Mr. GUARINI. At one time there was a statement made by Secretary Bennett that if a student is on drugs, they should be dropped out of the school program.

Do you believe that that is a way of handling the situation, if a student is found to be on drugs, there should be cause to drop him or her out of the school program, that there be zero tolerance?

Mr. HAYS. I think the department's position is very clear in the publication "Schools Without Drugs." We recommend firm, effective policy, that is enforced, where parents are involved and the community is involved.

We believe that for a firm policy to exist there has to be a scale of discipline that is appropriate to the situation.

Mr. GUARINI. Does that mean if the student is on drugs in the school they should be forced to drop out? They should be disciplined to drop out?

Mr. HAYS. That is one option among several, sir.

Mr. GUARINI. What do we do with the student if he is forced to drop out of school? How do we handle the situation from there? What is the Federal view of how that program should be taken care of? We have a very simple fact situation.

A student is on drugs. He is a problem in school. Now you say that he should be cut out, be dropped of school under certain circumstances and be put into the public at large?

Mr. HAYS. I think there is a range of disciplinary action to be looked at, expulsion is one of those, depending upon the severity of the situation.

Mr. GUARINI. What are the options? If you drop him out of school, what are the options for that student?

Mr. HAYS. Schools that have adopted such a policy have various ways of handling it, other educational alternatives are used. In fact, some of the very successful programs have the student returning to school when those problems are resolved.

Mr. GUARINI. If you ask that student to drop out of school, what are the programs or options, or how are you going to treat that student once he has dropped out of the school program?

Mr. HAYS. As I said, there are school systems that have found effective ways of dealing with that, private education arrangements, schooling in the evening, educational situations where they are devoted strictly to problem students.

Mr. GUARINI. Does the Federal Government give guidance or help in that regard?

Mr. HAYS. We can provide information on existing programs and successful practices.

Mr. GUARINI. I know it is a very difficult question. The solutions are very difficult.

I am wondering whether or not you have any view as to policy as to how we treat them.

As of May 22, last year, 1987, there were 110 school districts in the Challenge Campaign Program that you alluded to earlier. That is exact almost to the day, one year go.

It involves 659 schools. Of course, of the 1600 school districts—16,000 school districts, you had 110 school districts in the program.

Can you tell us how many schools are in your Challenge Campaign and how many school districts are involved?

Mr. HAYS. There are approximately 2600 schools, and over 360 school districts in the Challenge Campaign.

I might add, this is a campaign where there are really no financial incentives.

It is a commitment to join a network of schools who have committed themselves to standards suggested in Schools Without Drugs.

Mr. GUARINI. Actually you have gone from 110 to 2300?

Mr. HAYS. Twenty six hundred.

Mr. GUARINI. In one year you have made considerable progress, but you are trying to get most of the 16,000 schools into the system?

Mr. HAYS. That is a goal. We feel that we have made a lot of progress, particularly in the last several months, of getting schools in the Challenge Campaign.

Mr. GUARINI. Did you say 2600 school districts?

Mr. HAYS. Twenty six hundred, approximately. Twenty six hundred schools, 360 school districts.

Mr. GUARINI. I see.

Therefore, you have gone from 110 to 350. But we still have 15,650 districts to go? In other words, you are about approximately——

Mr. HAYS. We have a long way to go. You are absolutely right, whatever the arithmetic might be.

Mr. GUARINI. You are about 2 percent of America so far on your program?

Mr. HAYS. That is better than where we started, and we are making progress.

Mr. GUARINI. It takes a lot of progress.

Thank you, Mr. Hays and Mr. Hicks.

You want to say something, Mr. Hicks?

Mr. HICKS. I do. I have had a number of thoughts as the last part of that discussion occurred.

I know you have to leave, and I will make it brief.

I think at the conference this week in response to Mr. Gilman's earlier question to Mr. Hays, there was presented some of the components of H.R. 5 that must be satisfied by July for funds to be released. Many States, North Carolina included, has already received continuation grant applications from our school districts.

Those grants have been reviewed. We are prepared to go to the State board of education to recommend funding of those programs. But we learned this week that there are some other requirements that must be satisfied before those dollars can be released.

I hope that we can get on a time line where we can naturally integrate the management of Drug-Free Schools programming with other school operations so that it doesn't appear that this is a uniquely different management program for school superintendents.

I think that is going to hurt us. And if we can ease that as much as we can, it will assist States in implementing the programs.

[Mr. Hicks furnished a number of documents which have been placed in the Committee files.]

Mr. GUARINI. I would like to also, just before we break up, to welcome the journalists that are sitting in the audience from 15 different countries and from all over the world, every corner of the world I understand is represented.

We understand you are here on Capitol Hill and you are sponsored by the Voice of America. We want you to know that we appreciate your being here, and you are very welcome.

We will return after the roll call. There is a roll call now with about 8 minutes left. We will be back here in 15 minutes.

[Whereupon, at 2 p.m., the hearing adjourned.]

[Additional information follows:]

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STATEMENT BY

RICHARD L. BERKLEY

MAYOR OF KANSAS CITY (MO)
PRESIDENT OF THE UNITED STATES CONFERENCE OF MAYORS

before the

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
U.S. HOUSE OF REPRESENTATIVES

MAY 26, 1988

MR. RANGEL, MR. GILMAN, MEMBERS OF THE COMMITTEE, IT IS MY GREAT HONOR TO APPEAR BEFORE YOU THIS MORNING. WITHOUT YOUR LEADERSHIP IN THE WAR AGAINST DRUGS THE ANTI-DRUG ABUSE ACT OF 1986 WOULD NOT HAVE BEEN ENACTED INTO LAW AND THE COMPREHENSIVE APPROACH WHICH IT TAKES TO FIGHTING THIS WAR WOULD BE IMPOSSIBLE. LET ME ASSURE YOU THAT WE, THE NATION'S MAYORS, WILL CONTINUE TO WORK WITH YOU THIS YEAR AND IN THE FUTURE TO MAKE CERTAIN THAT THE EFFECTIVENESS OF THIS IMPORTANT LAW IS REALIZED. AND, WE WILL WORK WITH YOU TO STRENGTHEN THE LAW WHERE THAT IS NECESSARY.

DRUG ABUSE HAS BEEN A CRITICAL ISSUE FOR MAYORS FOR YEARS, AND CONTINUES TO BE. IN 1987, THE SERIOUS CRIMES REPORTED TO THE POLICE INCREASED FOR THE THIRD YEAR IN A ROW. THE FBI RECENTLY REPORTED THAT CRIME WENT UP FOUR PERCENT IN THE SOUTH, THREE PERCENT IN THE NORTHEAST, AND ONE PERCENT IN THE MIDWEST; THE ONLY DECLINE WAS IN THE WEST. THERE IS DATA NOW, ASSEMBLED BY THE NATIONAL INSTITUTE OF JUSTICE, THAT FIRMLY ESTABLISHES THE LINK BETWEEN DRUG USE AND CRIME IN OUR CITIES. LAST YEAR, OVER HALF OF THE MALE ARRESTEES IN 12 STUDY CITIES TESTED POSITIVE FOR DRUG USE; THOSE FOUND TO BE USING DRUGS RANGED FROM 53 PERCENT IN PHOENIX UP TO 79 PERCENT IN NEW YORK CITY.

WE ARE MAKING TENS OF THOUSANDS OF COCAINE, HEROIN, MARIJUANA AND OTHER CONTROLLED SUBSTANCE ARRESTS EACH YEAR. A HIGH PERCENTAGE OF POLICE TIME IS SPENT ON DRUG-RELATED CRIME; OUR COURTS AND JAILS ARE CLOGGED WITH DRUG-RELATED CASES; OUR HEALTH FACILITIES CANNOT HANDLE THE TREATMENT NEEDS OF DRUG USERS; OUR SCHOOLS CANNOT CONTROL THE SALE OF DRUGS TO STUDENTS OF ANY AGE. THE COST TO OUR CITIES HAS BEEN STAGGERING, AND EVERY CITIZEN, WHETHER THEY REALIZE IT OR NOT, HAS BEEN PAYING. SOME KNOW THE PRICE ONLY TOO WELL. SOME HAVE GIVEN UP QUALITY OF LIFE -- AND SOME HAVE GIVEN UP LIFE ITSELF.

MAYORS HAVE KNOWN FOR A LONG TIME THAT LOCAL RESOURCES CANNOT BEGIN TO RESPOND TO THE SPIRALLING DRUG AND CRIME PROBLEM, AND WE WORKED HARD TO PROMOTE THE FEDERAL ROLE IN WHAT FOR YEARS HAS BEEN A REAL WAR ON OUR STREETS -- A REAL WAR FOR OUR STREETS. WE WORKED HARD TO GET A NATIONAL ANTI-DRUG BILL THAT WOULD MAKE A DIFFERENCE, HELPING US ON ALL FRONTS -- ENFORCEMENT, TREATMENT AND EDUCATION. WE WELCOMED THE FEDERAL GOVERNMENT AS AN ALLY IN OUR WAR WHEN THE ANTI-DRUG ABUSE ACT OF 1986 WAS SIGNED INTO LAW.

THERE WAS MUCH FANFARE SURROUNDING THE DECLARATION OF THAT DRUG WAR HERE IN WASHINGTON, BUT THERE WAS NOT MUCH FEDERAL MONEY TO BACK THE WAR ON OUR STREETS, IN OUR CLINICS OR OUR SCHOOLS. THE COMPROMISE APPROPRIATION TO AID THE LOCAL DRUG WAR IN FISCAL 1987 WAS $687 MILLION -- JUST ENOUGH TO GET SOME NEW INITIATIVES LAUNCHED. BUT WHAT WE HADN'T RECKONED WITH WAS THE DELAY WE WOULD EXPERIENCE IN GETTING THESE FUNDS.

FOR THE SECOND YEAR OF THE DRUG WAR, THE ADMINISTRATION PROPOSED JUST $100 MILLION FOR DRUG EDUCATION, AND NO FUNDING FOR EITHER LAW ENFORCEMENT OR TREATMENT. FORTUNATELY, CONGRESS DID

NOT GO ALONG WITH ALL OF THIS, BUT IT WENT ALONG WITH SOME OF IT. THE RESULT WAS MUCH LESS MONEY FOR THE SECOND YEAR -- A LOSS OF ABOUT $230 MILLION.

IN FEBRUARY WE SAW THE ADMINISTRATION'S FEDERAL BUDGET PROPOSAL FOR NEXT YEAR, FISCAL 1989. IT BEEFS UP FEDERAL ANTI-DRUG ACTIVITY IN SEVERAL AREAS, AND WE APPLAUD THAT, BUT ONCE AGAIN IT PROPOSES AN OVERALL CUT IN FEDERAL AID FOR OUR LOCAL EFFORTS. LOCAL DRUG TREATMENT WOULD GO UP $10 MILLION, AND LOCAL DRUG EDUCATION WOULD GO UP $20 MILLION, BUT LOCAL DRUG LAW ENFORCEMENT WOULD BE ELIMINATED ALTOGETHER.

THIS IS NO WAY TO WAGE A WAR ON ANYTHING, AND WE HAVE TO BELIEVE THAT CONGRESS RECOGNIZES THIS AND WILL NOT ACCEPT THE ELIMINATION OF DESPERATELY-NEEDED LAW ENFORCEMENT AID.

ALL OF THE LOCAL RESOURCES WE CAN MUSTER ARE NOT ENOUGH TO HOLD THE LINE AGAINST URBAN CRIME, AND TAKE ON A MAJOR DRUG WAR AT THE SAME TIME. IN LAW ENFORCEMENT OVERALL, WE HAVE DONE OUR SHARE -- AND MORE. THE LATEST JUSTICE DEPARTMENT FIGURES SHOW THAT. IN 1985, COMBINED CITY AND COUNTY EXPENDITURES FOR JUSTICE ACTIVITIES TOTALLED WELL OVER $25 BILLION. STATES SPENT LESS THAN $15 BILLION; THE FEDERAL GOVERNMENT SPENT LESS THAN $6 BILLION. MUNICIPAL SPENDING EXCEEDED SPENDING BY ALL OTHER LEVELS OF GOVERNMENT FOR ALL JUSTICE ACTIVITIES -- POLICE PROTECTION, COURTS, LEGAL SERVICES, CORRECTIONS AND OTHERS.

THE LEVEL OF FUNDS AVAILABLE, HOWEVER, ALMOST BECOMES ACADEMIC WHEN YOU CONSIDER THE DIFFICULTIES WE HAVE HAD IN GETTING THESE FUNDS TO OUR CITIES. LAST OCTOBER, ONE FULL YEAR AFTER THE ANTI-DRUG LAW WAS PASSED, A CONFERENCE OF MAYORS SURVEY FOUND THAT ONLY A SMALL FRACTION OF THAT FUNDING HAD ACTUALLY REACHED OUR CITIES. FEW CITIES HAD GOTTEN COMMITMENTS FOR FUNDING, AND FEWER STILL HAD SEEN ANY FUNDS. THE MONEY, WE DISCOVERED, WAS BOGGED DOWN IN THE BUREAUCRACY OF THE FEDERAL AND STATE GOVERNMENTS.

LAST MONTH WE CHECKED WITH THE FEDERAL GOVERNMENT ON THE FLOW OF THIS MONEY AND FOUND, AGAIN, THAT IT IS MOVING VERY SLOWLY. AS YOU KNOW, MUCH OF THE LOCAL ANTI-DRUG MONEY IS PASSED THROUGH THE STATES, AND THE TIME IT IS TAKING FOR STATES TO PREPARE THEIR SPENDING PLANS AND GET THEM INTO THE FEDERAL AGENCIES FOR APPROVAL IS CAUSING THE PROBLEM. MID-WAY THROUGH THE FISCAL YEAR, ONLY 11 STATES HAD SUBMITTED PLANS TO THE JUSTICE DEPARTMENT FOR DRUG LAW ENFORCEMENT FUNDS, AND, ONLY FIVE OF THESE STATE PLANS HAD BEEN APPROVED. ONLY EIGHT STATES HAD SUBMITTED PLANS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR DRUG TREATMENT FUNDS, AND SIX OF THESE HAD BEEN APPROVED. APPLICATIONS FOR THE DEPARTMENT OF EDUCATION'S DRUG EDUCATION FUNDS ARE NOT EVEN DUE UNTIL LATE THIS SUMMER; STATE AND LOCAL GOVERNMENTS ARE NOW SPENDING THE EDUCATION FUNDS WE RECEIVED IN THE PREVIOUS FISCAL YEAR.

WE ARE FRUSTRATED WITH THE BUREAUCRACY AND WE ARE DISHEARTENED BY THE LACK OF SUPPORT FROM THE FEDERAL GOVERNMENT. THE DRUG PROBLEM IS IN THE STREETS, THE SCHOOLS, THE PLAYGROUNDS OF OUR CITIES; THE HAND-TO-HAND COMBAT IS IN THE CITIES. WE ASSERT THAT THE FUNDING THE FEDERAL GOVERNMENT IS WILLING TO PROVIDE, HOWEVER LIMITED, MUST BE ALLOWED TO COME DIRECTLY TO THE CITIES, DIRECTLY TO THE PROBLEM, NOT THROUGH A BUREAUCRATIC TANGLE OF FEDERAL AND STATE CHECKPOINTS. WE URGE YOU TO AMEND THE ANTI-DRUG ACT TO PROVIDE FUNDS DIRECTLY TO CITIES, AND WE ARE READY TO WORK WITH YOU ON A SPECIFIC PROPOSAL THAT WOULD ACCOMPLISH THIS.

LAST MONTH THE U.S. CONFERENCE OF MAYORS BROUGHT TOGETHER MAYORS AND POLICE CHIEFS FROM APPROXIMATELY 100 CITIES ACROSS THE COUNTRY FOR A NATIONAL CONFERENCE ON CRIME. THEIR FRUSTRATIONS WITH THE WAY OUR NATION IS FIGHTING THE WAR ON DRUGS WERE MANIFOLD. THEY CALLED UPON THE PRESIDENT AND THE CONGRESS TO ESTABLISH A UNIFIED NATIONAL STRATEGY TO CONTROL THE FLOW OF ILLEGAL DRUGS -- A STRATEGY WHICH INCLUDES:

- THE DECLARATION OF DRUGS AS THIS NATION'S NUMBER ONE FOREIGN POLICY CONCERN, AND THE DENIAL OF FOREIGN AID TO ANY DRUG SOURCE COUNTRY WHICH FAILS TO COOPERATE SATISFACTORILY WITH OUR GOVERNMENT IN CURBING ITS DRUG EXPORTS TO OUR NATION;
- AN IMPROVEMENT IN THE INTERDICTION OF ILLEGAL DRUGS BEFORE THEY ENTER THE COUNTRY THROUGH STRATEGIES WHICH INCLUDE THE USE OF THE MILITARY IN ILLEGAL DRUG INTERDICTION OUTSIDE OF U.S. LAND AREA, THE PROVISION OF NEEDED EQUIPMENT, AND THE DEVELOPMENT OF NEW TECHNOLOGIES WHICH INCREASE THE SUCCESS OF THESE EFFORTS;
- THE PASSAGE OF OMNIBUS ANTI-DRUG LEGISLATION THIS YEAR WHICH WILL ADD RESOURCES COMMENSURATE WITH THE NEED TO WAGE WAR ON DRUGS NEXT YEAR, AND IN THE FUTURE, WITHOUT TAKING FUNDS AWAY FROM OTHER STATE AND LOCAL PROGRAMS;
- A DRAMATIC INCREASE IN THE FEDERAL FUNDING AVAILABLE FOR LOCAL DRUG LAW ENFORCEMENT, AND THE PROVISION OF THOSE FUNDS DIRECTLY TO CITIES, WITHOUT REQUIRING MATCHING FUNDS;
- AN INCREASE IN THE JAIL AND PRISON SPACE AVAILABLE THROUGH INCREASED FEDERAL FUNDING FOR JAIL CONSTRUCTION, AND THE USE OF AVAILABLE, APPROPRIATE FEDERAL INSTALLATIONS;
- AN INCREASE IN THE CONSEQUENCES FACED FOR CRIMINAL ACTIVITIES, THROUGH STRENGTHENED FEDERAL LAWS AND INCREASED APPLICATION OF THEM, STIFFER PENALTITIES, AND THE SEIZURE OF ASSETS;
- FUNDING FOR THE NATIONAL INSTITUTE OF JUSTICE WHICH IS SUFFICIENT TO CONDUCT RESEARCH AND EVALUATION THAT WILL ASSIST STATE AND LOCAL GOVERNMENTS IN DEVELOPING EFFECTIVE

ANTI-DRUG STRATEGIES, AND TO DEVELOP NEW TECHNOLOGIES THAT WILL ASSIST IN DRUG CONTROL EFFORTS;

- AN INCREASE IN SUPPORT FOR REGIONAL CRIME LABORATORIES WHICH ENHANCE LOCAL LAW ENFORCEMENT EFFORTS;
- ESTABLISHMENT OF A NATIONAL NARCOTICS DIRECTOR WITHIN THE WHITE HOUSE, OF CABINET RANK, WHO WOULD BE CHARGED WITH THE DUTY OF FORMULATING AND DIRECTING THE NATION'S WAR ON DRUGS;
- THE DELIVERY OF AN ANNUAL REPORT TO THE NATION BY THE NATIONAL NARCOTICS DIRECTOR ON THE STATE OF OUR COUNTRY'S EFFORTS TO CONTROL DRUG ABUSE;
- ADEQUATE FUNDING FOR FEDERAL LAW ENFORCEMENT AND CORRECTIONS PROGRAMS, PARTICULARLY THOSE WHICH ENFORCE THE SECURITY OF THE NATION'S BORDERS; AND
- CREATION OF A NATIONAL DRUG EDUCATION CORPS, CONSISTING OF PROFESSIONALS FROM DIFFERENT DISCIPLINES, WHOSE MISSION WOULD BE TO EDUCATE OUR CITIZENS, PARTICULARLY OUR YOUNG PEOPLE, ABOUT THE DANGERS OF DRUG ABUSE.

AS THIS COMMITTEE REVIEWS THE IMPLEMENTATION OF THE ANTI-DRUG ABUSE ACT OF 1986 AND DEVELOPS LEGISLATION FOR CONSIDERATION THIS YEAR, I URGE YOU TO CONSIDER EACH OF THE ELEMENTS CONTAINED IN THIS CALL BY MAYORS AND POLICE CHIEFS FOR A NATIONAL ANTI-DRUG STRATEGY. IT IS A COMPREHENSIVE STATEMENT BY THOSE ON THE FRONT LINES. I WOULD LIKE TO SUBMIT FOR THE RECORD THE TEXT OF THE ENTIRE STATEMENT ADOPTED BY THE MAYORS AND CHIEFS, ALONG WITH A COPY OF LAST OCTOBER'S REPORT ON IMPLEMENTATION OF THE ANTI-DRUG ABUSE ACT OF 1986.

THE CONFERENCE OF MAYORS STANDS READY TO WORK WITH YOU TO IMPROVE AND STRENGTHEN THIS NATION'S EFFORTS TO WAGE WAR ON DRUGS. OF IMMEDIATE CONCERN TO US ARE CHANGES TO THE CURRENT SYSTEM WHICH WILL EXPEDITE THE ADMINISTRATION OF THE ANTI-DRUG FUNDS SO THAT THEY GO DIRECTLY TO OUR CITIES. WE ARE ALLIES IN THE WAR ON DRUGS, AND WE ARE READY TO ACT ACCORDINGLY.

NATIONAL CONFERENCE ON CRIME

APRIL 24 - 26, 1988

A CALL BY MAYORS AND POLICE CHIEFS FOR A NATIONAL ANTI-DRUG STRATEGY

THE UNITED STATES CONFERENCE OF MAYORS

Mayors and police chiefs representing approximately 100 of the nation's major cities, gathered in Washington April 24-26 for the National Conference on Crime, declare that:

- Illegal drugs are a critical international problem affecting the people of our nation, clearly equal to other national security threats.
- Our nation has not yet committed sufficient resources to a real war against illegal drugs.
- One year after enactment of the Anti-Drug Abuse Act of 1986, only a small fraction of the funds appropriated had reached America's cities; more than halfway through the current fiscal year, relatively few states have submitted their state plans to the federal government, and even fewer have received approval.
- Illegal drugs have become a destructive part of daily life in our homes, our schools, and on our streets, and people who buy drugs are a part of that destructive force.
- The dissolution of the family, an inadequate education system, poverty, unemployment and greed all contribute to illegal drug use.
- The demand for illegal drugs is a pervasive problem that affects all segments of our society, including professional and affluent people.
- Illegal drugs plague urban, suburban, and rural communities of all sizes and regions and lead to a host of problems such as homicides, robberies, burglaries and other crimes, and domestic violence.
- Hundreds of America's dedicated public servants have died and thousands of others risk their lives daily to fight our cities' individual wars on illegal drugs and on the criminal activity stemming from illegal drugs.
- There is a lack of jail and prison space throughout the nation which is compromising our criminal justice system and crippling our current anti-drug efforts.
- Because drugs are big business and produce enormous profits, organized crime and gangs play a predominant role in their distribution.

The mayors and police chiefs assembled:

- Call on every candidate for President to outline in specifics his national strategy for waging an effective, total war on drugs;
- Call on the Democratic and Republican parties to come together in a bipartisan way, going on record at their nominating conventions, to adopt national planks endorsing national anti-drug strategies;
- Urge the mass media, Hollywood and television movie makers, and public figures to assist in changing public opinion about drug use, as has been done with smoking and drinking; and to educate young people about the consequences of drug use.

The mayors and police chiefs call upon the President and the Congress to establish a unified national strategy to control the flow of illegal drugs, a strategy which must include:

- The declaration of drugs as this nation's number one foreign policy concern, and the denial of foreign aid to any drug source country which fails to cooperate satisfactorily with our government in curbing its drug exports to our nation;
- An improvement in the interdiction of illegal drugs before they enter the country through strategies which include the use of the military in illegal drug interdiction outside of U.S. land area, the provision of needed equipment, and the development of new technologies which increase the success of these efforts;
- The passage of omnibus anti-drug legislation this year which will add resources commensurate with the need to wage war on drugs next year, and in the future, without taking funds away from other state and local programs;
- A dramatic increase in the federal funding available for local drug law enforcement, and the provision of those funds directly to cities, without requiring matching funds;
- An increase in the jail and prison space available through increased federal funding for jail construction, and the use of available, appropriate federal installations;
- An increase in the consequences faced for criminal activities,through strengthened federal laws and increased application of them, stiffer penalties, and the seizure of assets;
- Funding for the National Institute of Justice which is sufficient to conduct research and evaluation that will assist state and local governments in developing effective anti-drug strategies, and to develop new technologies that will assist in drug control efforts;
- An increase in support for regional crime laboratories which enhance local law enforcement efforts;
- Establishment of a national narcotics director within the White House, of cabinet rank, who would be charged with the duty of formulating and directing the nation's war on drugs;
- The delivery of an annual report to the nation by the national narcotics director on the state of our country's efforts to control drug abuse;
- Adequate funding for federal law enforcement and corrections programs, particularly those which enforce the security of the nation's borders;
- Creation of a national drug education corps, consisting of professionals from different disciplines, whose mission would be to educate our citizens, particularly our young people, about the dangers of drug abuse.

THE ANTI-DRUG ABUSE ACT OF 1986:

ITS IMPACT IN CITIES ONE YEAR AFTER ENACTMENT

A 42-City Survey

October 27, 1987

THE UNITED STATES
CONFERENCE OF MAYORS

THE UNITED STATES CONFERENCE OF MAYORS

Mayor Richard L. Berkley, President
Mayor of Kansas City, Missouri

Mayor Edward I. Koch
Mayor of New York
and
Mayor Maureen O'Connor
Mayor of San Diego
Co-Chairs
Task Force on Drug Control

J. Thomas Cochran, Executive Director

This report was written by Laura DeKoven Waxman and Jim Gatz of the U.S. Conference of Mayors staff. Allen Hunt and Jason Pedersen assisted. Additional copies are available from Allen Hunt, U.S. Conference of Mayors, 1620 Eye Street, N.W., Washington, D.C., 20006, (202) 293-7330.

CONTENTS

SUMMARY

INTRODUCTION

THE DRUG PROBLEM IN CITIES

THE ANTI-DRUG ABUSE ACT OF 1986: THE FUNDING STATUS OF CITY PROGRAMS

THE ANTI-DRUG ABUSE ACT OF 1986: INTERGOVERNMENTAL RELATIONS

APPENDIX

- THE DRUG FREE SCHOOLS AND COMMUNITIES PROGRAM
- ALCOHOL AND DRUG TREATMENT PROGRAMS
- THE STATE AND LOCAL ASSISTANCE FOR NARCOTICS CONTROL PROGRAM
- IMPLEMENTION OF THE ANTI-DRUG ABUSE ACT OF 1986 ONE YEAR AFTER ENACTMENT (SURVEY INSTRUMENT)

SUMMARY

The Anti-Drug Abuse Act of 1986 marked the first time that our national government approached the problems of illegal drug trafficking and abuse in a comprehensive manner. It strengthened federal interdiction efforts, stiffened federal drug laws and established new state and local assistance programs for enforcement, education and treatment. For the fiscal year just ended, Congress appropriated $225 million for enforcement programs, $200 million for education programs and $262 million for treatment.

To assess both the illegal drug problem in the cities and the implementation of the state and local assistance programs established by the Anti-Drug Abuse Act of 1986 one year after its enactment, the U.S. Conference of Mayors surveyed 42 cities whose mayors are members of its Executive Committee, Advisory Board or Task Force on Drug Control. The survey sought information on 1) arrests for drug violations; 2) the drugs most frequently involved in arrests; 3) the availability of drug treatment; 4) the funding status of city programs through the Anti-Drug Abuse Act of 1986; 5) city government involvement in the state planning process for the Act's programs; 6) state administration of the block grants established through the Act; and 7) the responsiveness of the Act's grant-in-aid system to city needs.

THE DRUG PROBLEM IN CITIES

- Arrests for drug violations by police departments in the survey cities accounted for an average of 14 percent of the total arrests made in these cities during 1986. Personnel in the cities' police department narcotics units made one-third of the total arrests for drug violations.

- Narcotics units accounted for an average of three percent of the police departments' total budget in the survey cities. The cities estimate, however, that eight percent of their police departments' budgets are spent on the enforcement of drug violations.

- Across the survey cities, cocaine was the illegal drug most frequently involved in drug-related arrests, followed by marijuana and heroin.

- In more than three out of four of the responding cities there is a waiting list to get into drug treatment facilities; the average wait in these cities is seven weeks.

THE ANTI-DRUG ABUSE ACT OF 1986: THE FUNDING STATUS OF CITY PROGRAMS

- Education Programs: Fourteen of the survey cities (45 percent of those responding to the question) were aware of funding commitments for local education programs that had been made under the Anti-Drug Abuse Act as of October 1, 1987. These commitments totaled $3.3 million. In five of these cities, funds totalling just over $1 million have actually been received.

- Treatment Programs: Eleven cities (37 percent of those responding to the question) were aware of funding commitments for local drug treatment programs under the Act as of October 1. These commitments total $3 million. Six of these cities reported that they have actually received funds, totalling $400,000.

- Enforcement Programs: Fourteen cities (40 percent of those responding) were aware of funding commitments made for drug enforcement grants under the Act by October 1. They total $9.6 million. Washington, D.C., the only city that performs both state and local functions in these programs, is also the only city to have actually received enforcement funds, totalling $800,000.

THE ANTI-DRUG ABUSE ACT OF 1986: INTERGOVERNMENTAL RELATIONS

- Eleven cities (38 percent of those responding to the question) reported that their city government has been involved in the state planning process for education programs; eight cities (28 percent of those responding) were involved in the state planning process for treatment programs; 19 cities (43 percent of the responding cities) participated in the state planning process for enforcement programs.

- Rating state administration of the block grant programs established under the Act:

    * for education, one-fifth of the cities gave a good rating and 60 percent gave a poor rating;
    * for treatment, 28 percent of the cities gave a good rating and 40 percent a poor rating; and
    * for enforcement, 29 percent gave a good rating and 46 percent gave a poor rating.

- Officials in two-thirds of the responding cities indicated that the grant-in-aid system (primarily state block grants) established through the Anti-Drug Abuse Act is not responsive to their cities' needs.

INTRODUCTION

On October 27, 1986 President Ronald Reagan signed into law the Anti-Drug Abuse Act of 1986. The legislation resulted, in great part, from a groundswell of national concern about drug abuse which developed during the summer of 1986. While the scourge of drug abuse had been a critical issue in cities for years, national attention had never before been so sharply focused on it.

The Anti-Drug Abuse Act of 1986 marks the first time that our national government has approached the problems of illegal drug trafficking and abuse in a comprehensive manner. It strengthens critical federal interdiction efforts, such as those of the Customs Service, the Coast Guard and the military, and it stiffens many federal criminal penalties for drug-related crimes. Of particular importance is the assistance it provides to state and local governments for drug education, treatment and enforcement programs. The Act attacks our drug problem from all sides; it is aimed at reducing both the supply and the demand. With this legislation the federal government became the cities' ally in the war on drugs.

When the Anti-Drug Abuse Act of 1986 was debated in the Congress it was in the context of getting help to the cities, to the trenches in the war on drugs. What actually passed the Congress was a bill which provides funds primarily to the states, with the requirement that a good portion be passed through to local jurisdictions.

The purpose of this report is to assess the status of the illegal drug problem in our cities and the implementation of the assistance programs established through the Act one year after its enactment. A questionnaire was sent to every member of the Conference of Mayors' Executive Committee, Advisory Board and Task Force on Drug Control -- 52 mayors in all. Responses were received from 42 of them, or 81 percent. The information which they provided is summarized on the following pages.

The reader should note that in no case do the percentages reported for a survey question include a city unable to respond to that question.

THE DRUG PROBLEM IN CITIES

Arrests for Drug Violations

There were 1.8 million arrests made in the survey cities in 1986. Arrests for drug violations by police departments in the survey cities totalled 243,000, an average of 14 percent of the total arrests in these cities that year. Drug violation arrests range from 36 percent of the total in Washington, D.C., 35 percent in Atlanta, 33 percent in Philadelphia, 27 percent in New York City and 23 percent in Los Angeles to less than three percent of the total arrests in Anchorage, Denver, Springfield, Jamestown, Seattle and Milwaukee.

Personnel in the police department narcotics units made 79,000 arrests for narcotics violations, one-third of the total arrests for drug violations in the survey cities. They account for 100 percent of the drug violation arrests in Springfield, 90 percent in York, and 88 percent in Toledo and Washington, D.C. In Oxnard, San Diego, Aurora, Chicago, Albuquerque, and Jamestown narcotics unit personnel make less than 15 percent of the arrests for drug violations.

The table on pages seven and eight contains data on drug arrests for the survey cities.

Narcotics units account for an average of three percent of the police departments' total budget in the survey cities. In Trenton 10 percent of the police department's budget goes to the narcotics unit, in Washington, D.C. eight percent, and in San Francisco, San Diego and York six percent. Among the cities where one percent or less of the budget goes to the narcotics unit are Phoenix, Aurora, Chicago, Gary, New Orleans, Kansas City, and Albuquerque.

The survey cities estimate, however, that an average of eight percent of their police departments' budgets are spent on the enforcement of drug violations. Expenditures range form 25 percent in Washington, D.C., 23 percent in Los Angeles, 20 percent in Albuquerque and 15 percent in Oxnard to two percent or less in Aurora, Gary, Oak Park, Kansas City and Cincinnati.

The Drugs Most Frequently Involved in Arrests

Across the survey cities, cocaine was most frequently involved in drug-related arrests, followed by marijuana and heroin.

Twenty-seven cities listed cocaine (including crack) first as the illegal drug most frequently involved in drug-related arrests: Anchorage, Phoenix, Oxnard, Los Angeles, San Diego, San Francisco, Miami, Atlanta, Chicago, Springfield, Gary, New Orleans, Detroit, Oak Park, Kansas City, Plainfield, Trenton, Albuquerque, New York City, Cincinnati, Toledo, Philadelphia, Houston, El Paso, Seattle, Milwaukee and York. Another 12 cities listed cocaine second.

Eleven cities reported that marijuana was most frequently involved in drug-related arrests: Birmingham, Aurora, Denver, Dunedin, Macon, Savannah, Jamestown, Cleveland, Pittsburgh, Charleston, and Tacoma. Another 19 listed it as second among drug-related arrests, and nine listed it third. Seattle reported that it no longer makes felony arrests for the possession of small amounts of marijuana, leveling fines instead.

Heroin was the drug most frequently involved in drug-related arrests in one city, Boston. It came in second in nine cities and third in 11. PCP was the drug most frequently involved in drug-related arrests in Washington, D.C.; three cities -- Los Angeles, Chicago and Plainfield -- listed it third. Other drugs listed include amphetamines and methamphetamines, by four cities; perscription drugs, by three cities; and LSD, by three cities.

The table on page nine shows the three drugs most frequently involved in arrests in each of the survey cities.

The Availability of Drug Treatment

Officials in the survey cities were able to identify a total of 157,000 people who were receiving treatment for drug abuse in their cities. The number of people receiving treatment ranged from 38,800 in New York City and 14,000 in New Orleans to 35 in Jamestown and four in Dunedin. (Some cities had only county data available; others had only data for public facilities.)

In more than three out of four of the responding cities there was a waiting list to get into treatment facilities, and the average wait in these cities was seven weeks. The wait ranged from 26 weeks in New York City, 16 to 24 weeks in Los Angeles, eight to 13 weeks in Milwaukee, and four to 12 weeks in San Diego. It was four weeks or less in Oxnard, Washington, D.C., Atlanta, Boston, Detroit, Kansas City, Trenton, and York. In 23 percent of the responding cities there was no wait.

CITY DRUG ARRESTS

City	Population	Total Arrests 1986	Drug Arrests 1986	Percentage Drug Arrests of Total Arrests	Narcotics Unit Drug Arrests 1986	Percentage Narcotics Unit Arrests of Drug Arrests
Birmingham, AL	283,239	n/a	n/a	n/a	n/a	n/a
Anchorage, AK	194,675	19,816	346	.0	103	29.8
Phoenix, AZ	824,230	60,724	3,740	6.2	885	23.7
Los Angeles, CA	3,022,247	205,166	47,448	23.1	10,995	23.2
Oxnard, CA	115,657	13,131	1,902	14.5	138	7.3
San Diego, CA	915,956	100,324	15,100	15.1	1,819	12.0
San Francisco, CA	691,637	91,902	9,238	10.1	2,430	26.3
Aurora, CO	184,372	24,303	1,813	7.5	189	10.5
Denver, CO	505,563	69,258	1,052	1.5	468	44.5
Washington, DC	633,425	36,680	13,280	36.2	11,635	87.6
Dunedin, FL	30,203	2,194	100	4.6	40	40.0
Miami, FL	382,726	36,133	7,000	19.4	4,088	68.6
Atlanta, GA	428,153	11,760	4,111	35.0	1,997	48.6
Macon, GA	118,730	10,584	569	5.4	277	48.7
Savannah, GA	145,699	8,370	475	5.7	251	52.8
Chicago, IL	2,997,155	229,309	21,465	9.4	1,719	8.0
Springfield, IL	99,637	4,138	45	1.1	45	100
Gary, IN	147,537	2,998	208	6.9	100	48.1
New Orleans, LA	564,561	21,603	3,037	14.1	510	16.8
Boston, MA	560,847	28,251	4,863	17.2	1,524	31.3
Newton, MA	83,622	865	40	4.6	16	40
Detroit, MI	1,138,717	94,824	n/a	n/a	5,203	n/a
Oak Park, MI	31,537	2,303	95	4.1	n/a	n/a
Kansas City, MO	445,222	15,808	1,370	8.7	n/a	n/a
Plainfield, NJ	45,555	5,493	760	13.8	196	25.8
Trenton, NJ	92,124	10,064	2,033	20.2	n/a	n/a
Albuquerque, NM	341,978	27,097	1,324	4.9	130	9.8
Jamestown, NY	35,775	2,155	24	1.1	3	12.5
New York City, NY	7,086,096	259,587	69,525	26.8	27,525	39.6
Cincinnati, OH	380,118	37,659	3,705	9.8	n/a	n/a
Cleveland, OH	558,869	30,418	1,788	5.9	1,100	61.5
Toledo, OH	350,565	16,110	800	5.0	706	88.3

CITY DRUG ARRESTS

City	Population	Total Arrests 1986	Drug Arrests 1986	Percentage Drug Arrests of Total Arrests	Narcotics Unit Drug Arrests 1986	Percentage Narcotics Unit Arrests of Drug Arrests
Philadelphia, PA	1,665,382	26,276	8,721	33.2	n/a	n/a
Pittsburgh, PA	414,936	22,743	1,522	6.7	670	44.0
York, PA	44,619	3,658	117	3.2	105	90.0
San Juan, PR	522,700	n/a	n/a	n/a	n/a	n/a
Charleston, SC	69,510	7,759	1,049	13.5	474	45.2
El Paso, TX	445,071	30,898	3,184	10.3	1,044	32.8
Houston, TX	1,725,617	94,658	6,946	7.3	2,544	36.6
Seattle, WA	490,077	54,641	1,527	2.8	350	22.9
Tacoma, WA	161,351	12,367	766	6.2	248	32.4
Milwaukee, WI	631,509	61,495	1,630	2.7	450	27.6

THREE DRUGS MOST FREQUENTLY INVOLVED IN ARRESTS

City	First	Second	Third
Birmingham, AL	marijuana	cocaine	deloid
Anchorage, AK	cocaine	marijuana	herion
Phoenix, AZ	cocaine	marijuana	heroin
Los Angeles, CA	cocaine	marijuana	PCP
Oxnard, CA	cocaine	heroin	marijuana
San Diego, CA	cocaine	marijuana	heroin
San Francisco, CA	cocaine	marijuana	heroin
Aurora, CO	marijuana	cocaine	amphetamine
Denver, CO	marijuana	opiates	stimulants
Washington, DC	PCP	cocaine	opiates
Dunedin, FL	marijuana	cocaine	prescription drugs
Miami, FL	cocaine	marijuana	amphetamine
Atlanta, GA	cocaine	marijuana	heroin
Macon, GA	marijuana	cocaine	qualudes
Savannah, GA	marijuana	cocaine	crack
Chicago, IL	cocaine	marijuana	PCP
Springfield, IL	cocaine	marijuana	prescription drugs
Gary, IN	cocaine	marijuana	heroin
New Orleans, LA	cocaine	heroin	marijuana
Boston, MA	heroin	cocaine	marijuana
Newton, MA	alcohol	marijuana	cocaine
Detroit, MI	crack	cocaine	heroin
Oak Park, MI	cocaine	marijuana	heroin
Kansas City, MO	cocaine	marijuana	amphetamine
Plainfield, NJ	cocaine	marijuana	PCP
Trenton, NJ	cocaine	heroin	marijuana
Albuquerque, NM	cocaine	heroin	methamphetamine
Jamestown, NY	marijuana	cocaine	LSD
New York City, NY	cocaine	marijuana	heroin
Cincinnati, OH	cocaine	marijuana	LSD
Cleveland, OH	marijuana	cocaine	prescription drugs
Toledo, OH	crack	heroin	marijuana
Philadelphia, PA	cocaine	heroin	marijuana
Pittsburgh, PA	marijuana	cocaine	synthetics/opiates
York, PA	cocaine	heroin	marijuana
San Juan, PR	n/a	n/a	n/a
Charleston, SC	marijuana	cocaine	heroin
El Paso, TX	cocaine	heroin	marijuana
Houston, TX	cocaine	marijuana	methamphetamine
Seattle, WA	cocaine	marijuana	heroin
Tacoma, WA	marijuana	cocaine	heroin
Milwaukee, WI	cocaine	marijuana	alcohol

THE ANTI-DRUG ABUSE ACT OF 1986: THE FUNDING STATUS OF CITY PROGRAMS

The Anti-Drug Abuse Act of 1986 established new federal programs in three areas: enforcement, education, and treatment and rehabilitation. For Fiscal Year 1987, Congress appropriated $225 million for enforcement programs, $200 million for education programs and $262 million for treatment and rehabilitation. Most of the funds went to the states, with substantial portions to be passed through to local governments and agencies. For each program, however, a portion of the funds remained at the federal level -- 18 percent of the education funds, one-third of the treatment funds and 20 percent of the enforcement funds -- to be distributed through a discretionary grant system.

Education Programs

Fourteen cities (45 percent of those responding to the question) were aware of funding commitments that had been made under the Act by October 1, 1987 for local anti-drug education programs: Anchorage, San Diego, Aurora, Washington, D.C., Macon, Springfield, New Orleans, Boston, Detroit, Kansas City, Toledo, Philadelphia, Houston and Tacoma. These commitments totalled $3,274,000. In five cities (17 percent of those responding) funds have actually been received: Anchorage, Washington, D.C., Springfield, New Orleans and Detroit. According to the city officials, these funds received as of October 1, totalled $1,020,000.

Seventeen cities (55 percent of those responding to the question) reported that no education funding commitments had been made; 11 cities did not respond to the question. Four cities -- San Diego, Chicago, Philadelphia and Houston -- report that funding requests to the federal government for education programs have been denied. Two cities, Chicago and El Paso, have had applications to the state for education programs denied. Four cities -- Birmingham, Philadelphia, El Paso and Houston -- were aware of pending federal applications for anti-drug education programs. Eight -- Birmingham, San Francisco, Boston, Cleveland, Philadelphia, York, Tacoma and Milwaukee -- were aware of state applications pending.

Treatment Programs

Eleven cities (37 percent of those responding to the question) were aware of funding commitments made by October 1, 1987, under the Anti-Drug Abuse Act for local treatment programs. These cities were: Birmingham, Phoenix, San Francisco, Washington, D.C., Detroit, Kansas City, Toledo, Philadelphia, El Paso, Houston and Tacoma. The funding commitments to these cities totalled $3,007,000. In six of these cities -- Birmingham, Washington, D.C., Detroit, El Paso, Houston and Tacoma -- at least some funds have been received. The total actually received as of October 1, according to the city officials was $400,000.

Forty-five percent of the cities reported that no funding commitments for treatment programs have been made; 12 cities did not respond to the question. One city, Houston, reported that its application to the federal government for treatment funds had been denied. Two cities, San Diego and El Paso, have had applications to their state governments for treatment grants denied. Four cities -- Birmingham, El Paso, Houston and Tacoma -- were aware of federal applications for treatment grants which are pending. Eight cities were aware of state applications which are pending: Birmingham, New Orleans, Trenton, Toledo, York, El Paso, Tacoma, and Milwaukee.

Enforcement Programs

Fourteen cities (40 percent of the cities responding to the survey) were aware of funding commitments totalling $9,563,000 which were made for drug enforcement grants under the Act by October 1, 1987. Among them were: Birmingham, Los Angeles, Aurora, Denver, Chicago, New York City, Toledo, Philadelphia, Houston and Seattle. (Aurora and Denver were awarded a joint grant for a crack task force.) One city, Washington, D.C., had actually received funds, totalling $800,000, by October 1. Washington, of course, is the only city which performs the functions of both a state and a city in the block grant programs.

Twenty-one cities (60 percent of those responding) reported that no funding commitments have been received; seven cities did not answer the question. Five cities reported that the federal government had turned down their applications for enforcement grants: San Diego, Miami, New York City, Cincinnati and Cleveland. Detroit reported that its application to the state government for an enforcement grant had been denied. Four cities -- Birmingham, Los Angeles, San Diego and El Paso -- had enforcement grants pending with the federal government. Fifteen cities were aware of such grants pending with their state governments: Birmingham, Phoenix, Los Angeles, San Diego, San Francisco, Denver, Boston, Detroit, Cincinnati, Cleveland, Toledo, Philadelphia, York, El Paso and Houston.

In the Appendix are lists of all of the funded education, enforcement and treatment programs identified by the city officials.

Involvement in the State Planning Process

Eleven cities (38 percent of those responding to the question) reported that their city government has been involved in the state planning process for education programs. They are: Aurora, Denver, Washington, D.C., Macon, Springfield, Boston, Newton, Oak Park, Kansas City, Albuquerque and El Paso. Eighteen cities (62 percent of those responding) were not involved in the state planning process for education programs; 13 cities did not respond to the question.

Eight cities (28 percent of those responding to the question) indicated that their city government was involved in the state planning process for treatment programs: San Francisco, Washington, D.C. New Orleans, Oak Park, Trenton, Toledo, Philadelphia and El Paso. Seventy-two percent of the responding cities were not involved in the state planning process for treatment programs; 13 cities did not respond.

Forty-three percent (18) of the cities participated in the state planning process for enforcement programs. They were Phoenix, San Francisco, Aurora, Denver, Washington, D.C., Miami, Macon, Chicago, Boston, Newton, Detroit, Oak Park, Trenton, Cincinnati, Toledo, Philadelphia, Pittsburgh and El Paso. Four of these cities -- Phoenix, Denver, Chicago and Detroit -- reported that local officials serve on the state planning board. Cities which provided testimony, suggestions or information include Phoenix, San Francisco, Aurora, Oak Park, Toledo and Philadelphia. Fifty-seven percent of the responding cities did not participate in the enforcement program planning process; three cities did not respond.

Following are some of the city officials'comments on city involvement in the state planning process.

- Washington, D.C.: "The District of Columbia performs both city and state level functions for block grants. As such the District government has been involved in all aspects of the planning."

- Los Angeles: "Local input into setting the statewide strategy only allows for perfunctory input. It is perfectly clear that staff has already determined their program priorities and the local planning and distribution process in advance of this ritual....It appears evident that Los Angeles City will not fare well with the state in determining local priority planning tailored to meet our needs, or in receiving assurance of any funding." (From testimony given by the Director of the City of Los Angeles Criminal Justice Planning Office before the Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, March 2, 1987)

- Pittsburgh: "All of our involvement took place at the county level, according to state guidelines. In Pennsylvania, counties must apply for funds. We worked with the Allegheny County Department of Planning on a concept paper and proposal. We served on a planning board, submitted suggestions and wrote sections dealing with our requests."

- Toledo: We "submitted suggestions for the state plan based upon the results of a local survey (and) set up a special committee of the Criminal Justice Coordinating Council to provide input to the state and review local grant applications."
- Boston: "The City of Boston worked closely with the Governor's Alliance on education proposals, with the Secretary of Human Services on treatment programs and with the Office of Public Safety on enforcement programs."

State Administration of the Block Grant Programs

The city officials were asked to rate their state's administration of the block grant programs for education, treatment and enforcement in terms of its responsiveness to addressing the illegal drug problem in their city. The rating was on a scale of one to five, with one being poor and five excellent. It should be noted again that the District of Columbia performs both city and state level functions in the administration of the block grant programs.

For education programs, 60 percent of the responding cities gave their states a poor rating (a rating of one or two on the scale). Twenty percent of the cities gave their state a rating of three. Five cities -- Aurora, Washington, D.C., Boston, Charleston and Houston -- rated their states' administration of the education block grant as good (giving them a rating of four or five).

For treatment programs, 40 percent of the responding cities gave their states a poor rating of one or two. Twenty-eight pecent (six) of the cities rated their state's administration of the treatment block grant as good (a rating of a four or five): Washington, D.C., Boston, Toledo, Charleston, Houston and Milwaukee. Thirty-two percent of the cities gave their states a rating of three for their administration of the treatment block grant.

In the enforcement area, 46 percent of the cities gave their states a a poor rating (of one or two) for block grant administration. One-fourth of the cities rated their states' administration of the enforcement block grant as a three. Seven cities -- Anchorage, Aurora, Washington, D.C. Chicago, New Orleans, Toledo and Charleston -- gave their states a good rating (four or five) indicating their administration of the enforcement block grant had been responsive to their needs.

The Grant-in-Aid System -- Responsive to City Needs?

Officials in two-thirds of the responding cities indicated that the grant-in-aid system (primarily state block grants) established through the Anti-Drug Abuse Act of 1986 is not responsive to their cities' needs. Included among these cities are Birmingham, Anchorage, Los Angeles, San Diego, Savannah, Chicago, New Orleans, Oak Park, Plainfield, Trenton, Cleveland, Philadelphia, Pittsburgh, York, Charleston, Tacoma, Milwaukee and San Juan. One-third of the cities felt that the system was responsive. They include Oxnard, Aurora, Washington, D.C., Dunedin, Boston, Newton, Kansas City, Toledo, El Paso and Houston.

In responses to an open-ended question, twelve cities suggested that providing funds directly to cities rather than through the states would make the Anti-Drug Abuse Act more responsive to their needs. Among their comments:

- Birmingham: "Don't send it to the state first. Have it be direct from the federal government to localities. States will spend much of the funds in other areas."
- Anchorage: "There should be direct funding of local governments."
- Los Angeles: "Provide a mini-block grant or pre-determined set-aside that would ensure we receive a proportionate allocation."
- Chicago: "Funds should come directly to cities."
- New Orleans: "Money should be sent directly to the program providing the service."
- Boston: "It's hard to judge from the first year, given federal delays and start-up needs. However, entitlements for large cities might be preferable."
- Tacoma: "The state seems to have too much control over how these monies are allocated and the purposes for which they are to be used. Perhaps we should look at the feasibility of providing these block grant monies directly to each city. Then, the cities could more easily formulate a comprehensive plan to allocate monies to be used in all facets (education, treatment and enforcement) of the war against drugs."

City officials made other suggestions regarding the administration and funding of the Anti-Drug Abuse Act that would make it more responsive to their needs:

- Jamestown: There should be "more time between the RFP and application due dates. There is not enough time to respond to grant availability in many instances."
- Toledo: There should be "greater lead time for the application of discretionary funds, and increased discretionary funding at the state level and less discretionary funding available at the federal level, which is too far removed from the local problems for an accurate assessment of need."
- San Francisco: "The processing time has been extremely lengthy. School officials complain about the state formula used for allocations. Also, funds for enforcement programs are based on a statewide competition. This process may be overly political."

- Oak Park: There should be "additional funds to allow for individual city or agency projects and narcotics enforcement efforts. While the value of multi-jurisdictional units is apparent, funding levels and funding guidelines which exclude consideration of local programs must be changed to be responsive to local needs."

- Trenton: There should be "full funding for treatment through the state Department of Health....Inner city needs are overwhelming. There should be an awareness by the county and state agencies of the inner city crisis and an immediate response to our needs."

- Milwaukee: "Milwaukee is one of the highest risk areas for misuse and abuse of drugs, yet it receives a disproportionately low amount of funds allocated by the state."

APPENDIX

THE DRUG FREE SCHOOLS AND COMMUNITIES PROGRAM

FUNDS RECEIVED BY OR COMMITTED TO RESPONDING CITIES AS OF OCTOBER 1, 1987

CITY	PROGRAM	AMOUNT	GRANTOR
ANCHORAGE	Public school drug prevention/ education (K-12th grade)	$206,000	state
SAN DIEGO	Public school drug prevention/ prevention	205,000*	state
AURORA	Public school needs assessment and drug education	52,000*	state
WASHINGTON, DC	Public school prevention/ education	556,850	federal
	Prevention/education for young residents of public housing	119,325*	federal
	Community drug education	119,325*	federal
MACON	Public & private school prevention/education (6th & 8th grade)	63,000*	state
SPRINGFIELD	Public & private school prevention/ intervention	43,656	federal
NEW ORLEANS	Prevention/education for young people	25,000	state
	Prevention/education for young residents of public housing	25,000	state
	Prevention/education for young residents of public housing	25,000	state
	Prevention/education for young residents of public housing	25,000	state
	Support group for young people	40,000	state
BOSTON	Community drug education	35,000*	federal
	Public school drug education (5th & 6th grades)	167,000*	state
DETROIT	No data provided		
KANSAS CITY	Public and private school prevention/education program (K-12th grade)	106,455*	state
	Staff support for school substance abuse program	35,000*	state
TOLEDO	Public school prevention/ education	153,000**	state

THE DRUG FREE SCHOOLS AND COMMUNITIES PROGRAM

FUNDS RECEIVED BY OR COMMITTED TO RESPONDING CITIES AS OF OCTOBER 1, 1987

(continued)

CITY	PROGRAM	AMOUNT	GRANTOR
PHILADELPHIA	Private school prevention/ education	148,000*	state
	Public school prevention/ education	480,000*	state
HOUSTON	Substance abuse education for high risk youth	33,350**	state
	Interventive counseling for high risk youth	64,600*	state
	Community school based program for children of substance abusers	58,785**	state
	Community school based program for children	70,000*	state
	Community school based program for children	61,893*	state
	School based student assistance	48,751**	state
	School based student assistance	70,000*	state
	Primary prevention program	70,000**	state
	Primary prevention program	69,851*	state
	Community drug education	44,958**	state
TACOMA	School prevention/education	52,000*	state

AMOUNT COMMITTED DIRECTLY BY FEDERAL GOVERNMENT	$ 874,156
AMOUNT COMMITTED THROUGH STATE GOVERNMENT	2,399,643
TOTAL AMOUNT COMMITTED	$3,273,799
AMOUNT RECEIVED DIRECTLY FROM FEDERAL GOVERNMENT	$ 600,506
AMOUNT RECEIVED THROUGH STATE GOVERNMENT	419,573
TOTAL AMOUNT RECEIVED	$1,020,079

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* Funds which have been committed but not received by October 1, 1987.

** A portion, but not all, of these funds have been received as of October 1, 1987.

ALCOHOL AND DRUG TREATMENT PROGRAMS

FUNDS RECEIVED BY OR COMMITTED TO RESPONDING CITIES AS OF OCTOBER 1, 1987

CITY	PROGRAM	AMOUNT	GRANTOR
BIRMINGHAM	Outpatient treatment	$ 200,000	state
PHOENIX	Outpatient counseling	72,000*	state
	Prevention program for youth	30,000*	state
	Residential treatment for youth	30,000*	state
	Residential treatment	50,000*	state
	Residential treatment for minorities	50,000*	state
	Residential treatment for the hearing impaired	5,000*	state
SAN FRANCISCO	Various treatment programs	550,000*	federal
WASHINGTON, DC	Alcoholism outreach and treatment	224,786*	federal
	Vocational rehabilitation services	63,369*	federal
	Family treatment	177,362*	federal
	Medical care for drug abusers	91,289	federal
DETROIT	No data provided		
KANSAS CITY	Extended stay residential care for substance abusers	58,795*	state
TOLEDO	Detoxification center	112,840*	state
	Indigent care for juvenile drug abuse offenders	60,941*	state
PHILADELPHIA	Treatment of state parolees	160,000*	state
EL PASO	Treatment/education for youth	58,488	state
HOUSTON	Outpatient treatment and support	94,000**	state
	Outpatient treatment and support	64,838**	state
	Outpatient treatment and support	64,600**	state
	Outpatient treatment	240,000**	state
	Residential treatment for adolescent inhalent abusers	75,600*	state
TACOMA	Adolescent treatment program	98,000*	state
	Early childhood substance abuse prevention	250,000**	federal
	Vocational opportunity training and education	125,000	state

ALCOHOL AND DRUG TREATMENT PROGRAMS

FUNDS RECEIVED BY OR COMMITTED TO RESPONDING CITIES AS OF OCTOBER 1, 1987

(Continued)

TOTAL COMMITTED DIRECTLY BY FEDERAL GOVERNMENT	$1,356,806
TOTAL COMMITTED THROUGH STATE GOVERNMENT	1,650,102
TOTAL COMMITTED	$3,006,908
TOTAL RECEIVED DIRECTLY FROM FEDERAL GOVERNMENT	$ 216,289
TOTAL RECEIVED THROUGH STATE GOVERNMENT	183,488
TOTAL RECEIVED	$ 399,777

* Funds which have been committed but not received by October 1, 1987.

** A portion, but not all, of these funds have been received as of October 1, 1987

THE STATE AND LOCAL ASSISTANCE FOR NARCOTICS CONTROL PROGRAM

FUNDS RECEIVED BY OR COMMITTED TO RESPONDING CITIES AS OF OCTOBER 1, 1987

CITY	PROGRAM	AMOUNT	GRANTOR
BIRMINGHAM	Street sales enforcement	$ 180,000*	federal
LOS ANGELES	Focused substance enforcement unit	300,000*	federal
AURORA & DENVER	Focused substance enforcement unit	300,000*	federal
WASHINGTON, DC	Drug enforcement clearinghouse	50,000	federal
	Investigative unit	94,010	federal
	Automated management information system	105,990	federal
	Correctional facility treatment program	300,000	federal
	Parolee program	250,000	federal
CHICAGO	Enforcement programs	1,080,000*	state
DETROIT	No data provided		
NEW YORK	Enforcement programs	2,956,946*	state
TOLEDO	Regional narcotics task force	138,968*	state
PHILADELPHIA	Coordinated drug effort including enforcement and criminal justice systems	2,250,000*	state
EL PASO	Multi-County enforcement unit	900,465*	federal
HOUSTON	Focused substance enforcement unit	300,000*	federal
SEATTLE	Enforcement management effort	356,753*	federal

TOTAL COMMITTED DIRECTLY BY FEDERAL GOVERNMENT	$3,137,218
TOTAL COMMITTED THROUGH STATE GOVERNMENT	6,425,914
TOTAL AMOUNT COMMITTED	$9,563,132
TOTAL RECEIVED DIRECTLY FROM FEDERAL GOVERNMENT	$ 800,000
TOTAL RECEIVED THROUGH STATE GOVERNMENT	0
TOTAL AMOUNT RECEIVED	$ 800,000

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* Funds which have been committed but not received by October 1, 1987.

** A portion, but not all, of these funds have been received as of October 1, 1987.

UNITED STATES CONFERENCE OF MAYORS
1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330

CITY ____________________

IMPLEMENTATION OF THE ANTI-DRUG ABUSE ACT OF 1986 ONE YEAR AFTER ENACTMENT

I. THE DRUG PROBLEM IN YOUR CITY

1. What was the total number of arrests made by your police department during 1986? ________
What was the total number of these arrests for drug violations made by your police department in 1986? ________
What was the total number of these arrests made by personnel in your police department's narcotics unit during 1986? ________
What percentage of your police department's budget was devoted to the narcotics unit in 1986? ________
Please estimate the percentage of your police department's budget spent by all units on enforcement of drug violations?
____

2. How many people in your city are currently receiving treatment in either public or private facilities for drug abuse? ________
Are there waiting lists for drug abuse treatment in your city? Yes ____ No ____
If yes, how many people are on the list(s) ______ and what is the average, estimated wait for an individual in weeks? ______

3. List in order the three illegal drugs most frequently involved in drug-related arrests in your city? 1) ____________________
2) ____________________ 3) ____________________

II. FUNDING RECEIVED THROUGH PROGRAMS ESTABLISHED BY THE ANTI-DRUG ABUSE ACT OF 1986

4. Please check below the areas of the Anti-Drug Abuse Act of 1986 for which funding has been committed to or received by public or private agencies in your city as of October 1, 1987?

	COMMITTED	RECEIVED
Education Programs		
Treatment Programs		
Enforcement Programs		

PLEASE COMPLETE THE INFORMATION REQUESTED ON THE ATTACHED SHEET FOR EACH PROGRAM FUNDED.

5. Have public or private agencies in your city applied for funds under the Anti-Drug Abuse Act of 1986 which, as of October 1, 1987, are still pending or have been denied? Yes____ NO____.
If so, please indicate the type of funds pending or denied and whether the application was made to the federal government or the state by completing the chart on the next page.

APPLICATIONS NOT FUNDED AS OF OCTOBER 1, 1987

	DENIED		PENDING	
	FEDERAL	STATE	FEDERAL	STATE
Education Programs				
Treatment Programs				
Enforcement Programs				

III. INVOLVEMENT WITH STATE PLANNING PROCESS

6. Has your city government been involved in the development of your state's anti-drug abuse plans for education, treatment or enforcement? Please respond on the chart below.

	YES	NO
Education programs		
Treatment program		
Enforcement Programs		

If yes, please describe the type of involvement (i.e. served on planning board, submitted suggestions for state plan, etc.),and the specific local agency that was involved.

7. Please rate your state's administration of the block grant programs for education, treatment and enforcement established through the Anti-Drug Abuse Act of 1986 in terms of its responsiveness to addressing the illegal drug problem in your city.

	1	2	3	4	5
Education programs	Poor				Excellent
Treatment programs	Poor				Excellent
Enforcement programs	Poor				Excellent

8. Do you believe that the grant-in-aid system (primarily state block grants) established through the Anti-Drug Abuse Act of 1986 is responsive to your city's needs? Yes ____ No ____ Please describe any legislative amendments that would make the Act more responsive to your needs?

Please describe any administrative changes that would make the Act more responsive to your needs?

PLEASE PROVIDE THE FOLLOWING INFORMATION FOR EACH PROGRAM IN YOUR CITY WHICH HAS RECIEVED FUNDING OR A COMMITMENT OF FUNDING THROUGH THE ANTI-DRUG ABUSE ACT OF 1986.

NAME OF PROGRAM ____________________

Type of program (treatment, enforcement, education) __________

Amount of funding received as of October 1, 1987 __________

Amount of funding committed as of October 1,1987 __________

Granting agency (specify federal or state)__________

Date program began or will begin ____________________

Short description of program ____________________

NAME OF PROGRAM ____________________

Type of program (treatment, enforcement, education) __________

Amount of funding received as of October 1, 1987 __________

Amount of funding committed as of October 1,1987 __________

Granting agency (specify federal or state)__________

Date program began or will begin ____________________

Short description of program ____________________

NAME OF PROGRAM ____________________

Type of program (treatment, enforcement, education) __________

Amount of funding received as of October 1, 1987 __________

Amount of funding committed as of October 1,1987 __________

Granting agency (specify federal or state)__________

Date program began or will begin ____________________

Short description of program ____________________

NAME OF PROGRAM ____________________

Type of program (treatment, enforcement, education) ____________

Amount of funding received as of October 1, 1987 ____________

Amount of funding committed as of October 1,1987 ____________

Granting agency (specify federal or state) ____________

Date program began or will begin ____________

Short description of program ____________

NAME OF PROGRAM ____________________

Type of program (treatment, enforcement, education) ____________

Amount of funding received as of October 1, 1987 ____________

Amount of funding committed as of October 1,1987 ____________

Granting agency (specify federal or state) ____________

Date program began or will begin ____________

Short description of program ____________

PERSON COMPLETING QUESTIONNAIRE:

Name ____________
Title ____________
Address ____________

Telephone Number ____________

PLEASE RETURN THIS QUESTIONNAIRE COMPLETED BY OCTOBER 13, 1987 TO JIM GATZ, U.S. CONFERENCE OF MAYORS, 1620 EYE STREET, N.W., WASHINGTON, D.C. 20006.

Department of Justice

STATEMENT
OF
RICHARD B. ABELL
ASSISTANT ATTORNEY GENERAL
OFFICE OF JUSTICE PROGRAMS
U.S. DEPARTMENT OF JUSTICE
BEFORE THE
HOUSE SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL
UNITED STATES HOUSE OF REPRESENTATIVES
REGARDING
DRUG LAW ENFORCEMENT GRANTS TO STATES AND LOCALITIES
AS AUTHORIZED BY THE ANTI-DRUG ABUSE ACT OF 1986
PUBLIC LAW 99-570
ON
MAY 26, 1988

Mr. Chairman, I am pleased to appear before the Select Committee today to testify on behalf of the Department of Justice regarding implementation of the Anti-Drug Abuse Act of 1986. I would like to share with the Committee the facts about how the Office of Justice Programs' Bureau of Justice Assistance (BJA) has worked to implement the state and local assistance provisions of the Anti-Drug Abuse Act of 1986.

Clearly, one intent of the '86 Act was to expedite federal funds to states and localities and the Department of Justice moved swiftly to implement assistance for state and local narcotics control programs. In doing so, we have been careful to obtain the maximum amount of input from Federal, state, and local agencies and to avoid Federal intrusiveness and red tape, in keeping with President Reagan's federalism goals and Congressional intent.

The President signed the Anti-Drug Abuse Act into law on 27 October 1986. On 7 November, BJA sent letters to every Governor, notifying them of the narcotics control assistance program and requesting that they designate a state agency to administer the program. On 10 November, 1,500 letters were sent to state and local criminal justice agencies requesting input and recommendations on the Discretionary Grant Program.

The Congressional mandate that the states develop a statewide drug strategy after consultation with state and local officials whose duty it is to enforce drug laws was vigorously followed by the Bureau of Justice Assistance and the Governors. The Bureau of Justice Assistance provided the states with guidance, assistance and resources to develop a strategy that defined the nature and extent of the drug problem and identified the most effective means of addressing that problem.

The states, recognizing the importance of developing a comprehensive statewide drug strategy based on coordination of state, local and Federal drug control efforts, established Drug Policy Boards, held public hearings, conducted surveys of criminal justice officials and collected information to facilitate coordination and cooperation. We recommended that those Drug Policy Boards be comprised of state and local officials to ensure comprehensive representation in the process.

Although the process for development of statewide strategy and resulting coordination, involved a significant expenditure of time and resources, the states agreed that the strength of the strategy would determine the effectiveness of the state's efforts to control drugs. In December 1986, draft formula grant guidelines were published and application forms for administrative funds were sent to each designated agency. The first state applications for administrative funds (designed to help the states prepare their enforcement strategies required by the Act) were received in late December. To comply with the intent of Congress, the Bureau of Justice Assistance prescribed a process for the states to follow in the development of their strategy, which included a definition of the drug problem, an assessment of current efforts, identification of resource needs and a strategy for addressing the problem. Administrative funds, which provided the states with the resources needed to develop the strategies, were made available immediately, with the first awards made on January 6, 1987 to seven States and the

Districtof Columbia. Thus, these awards were made within two months of enactment of the Anti-Drug Abuse Act of 1986.

In addition, the Bureau sent informational materials which outlined the provisions of the program and guidance documents to criminal justice and governmental associations, as well as thousands of state and local agencies. The need for the states and local units of government to cooperate in developing a strategy that meets the need within the state was emphasized in all of the materials developed by the Bureau and in the many meetings Bureau staff attended. Although the Act places the burden for consultation with local government officials on the state, it is incumbent upon local units of government to make an effort to actively participate in the strategy development process.

In March of 1987, BJA held three regional workshops around the country to help state officials to understand the administrative, financial, and reporting requirements under the anti-drug program, and to help them develop the required statewide strategy for enforcing drug laws, as well as programs for each of the eligible program purposes. Only a month later, in April, the first state applications for full funding, accompanied by the statewide strategies were received by BJA, and in June, the first full awards to states were made.

Many states, however, lacked effective networks for compiling data and developing the enforcement strategy needed to apply for drug enforcement formula grants. There was not an established drug control strategy in many states, and there were few established programs within criminal justice agencies where the funds could be placed immediately to enhance existing efforts. Thus, most states required time to develop an effective strategy and were not able to apply for funding until late summer or early fall of 1987. As Attachment A illustrates, most states applied for formula grant awards in July and August. The applications for full funding have been approved, on the average, 37 days after receipt of the application.

Attachment A also notes the dates states submitted applications for both administrative and full awards and the dates BJA approved funding. BJA awarded approximately 95% of its FY '87 formula grant awards before the end of the calendar year. Due to the late arrival of three applications, the final FY '87 formula award was made on 22 May 1988. In little over a year, we have awarded almost all of our FY 1987 appropriation of $178 million for the formula grant program.

It is understandable that some cities would want a direct award of the Federal funds. However, it is clear from the Anti-Drug Abuse Act that Congress envisioned a National approach to the drug problem, involving Federal, state and local levels of government with the criminal justice system, education and the treatment community working together. I am concerned that direct awards might fragment efforts rather than enhance the cooperation and coordination that are needed to address the multi-jurisdictional nature of the drug problem.

I want to assure the Committee that we share their concern that local jurisdictions receive the assistance they need to combat the insidious problems of drug use and trafficking in this country. Because of that concern BJA awarded much of the

Discretionary Grant Program funds distributed to local sites in FY 1987 to large cities. However, there are several points that should be noted.

First, although states are required to pass through an amount for local programs that is at least equal to the local percentage share of total criminal justice expenditures in the state, the legislation does not require, and the Department has no authority to impose, a jurisdiction by jurisdiction allocation of funds. A state meets this requirement if the aggregate awards for local projects equal or exceed the pass through percentage.

Second, the funding most localities would receive under a jurisdiction by jurisdiction allocation would have to be divided among several hundred municipalities and counties, and only the largest jurisdictions would receive an award large enough to implement a program. Forty-seven of the 56 states and territories which receive funds under the Anti-Drug Abuse Act received awards of less than $5 million in FY 1987. Most states are required to pass through between 40 and 70 percent of their awards for local programs. Using a jurisdiction by jurisdiction allocation, the local funds in most states would be reduced to a level of insignificance. In accordance with the current pass through requirements, one jurisdiction may receive more than their share one year to implement a needed program but then may not receive any funds for several years.

Most states, therefore, have established priorities and allowed all interested jurisdictions to compete for the available funds. Funding decisions then are made on the basis of documented need, current efforts and resources, expected impact, and probability of success of the program. A competitive process requires time to distribute a request for proposals and for proponents to prepare an application. Applications must then be reviewed and rated prior to awarding the grants. It is not unusual for this process to take from 4-6 months.

Many states also are encouraging local units of government to establish multi-jurisdictional programs in order to expand participation in the program to a larger number of jurisdictions. Such cooperative efforts are essential considering the cross-jurisdictional nature of the drug problem.

The example of California illustrates the difficulty states face in distributing Federal grant funds. California has approximately 450 cities and 58 counties. Los Angeles County alone has over 100 separate jurisdictions. An attempt to review the applications for anti-drug abuse funds among all these jurisdictions while ensuring that each jurisdiction feels that its concerns have been heard and addressed would be a formidable task. Despite these obstacles, the California Office of Criminal Justice Planning has informed us that in regard to its FY 1987 allocation, it would award $1,350,000 to the City of Los Angeles, $1,383,847 to Los Angeles County, and $99,000 to the City of Pomona in Los Angeles County sometime in December. These three subgrants total $ 2,832,847. Thus, 25 percent of the California state allocation will be made available to the Los Angeles area.

The third point, which I alluded to earlier, is that a number of local jurisdictions -- including many large cities -- already have received anti-drug grants through BJA's drug enforcement discretionary grant program. BJA awarded these funds directly to successful applicants after a competitive process for such programs as street-level drug enforcement, crack sales enforcement, jail- based drug treatment programs, and drug testing. Approximately $44 million was available in Fiscal Year 1987 for such grants.

Mr. Chairman, I would like to submit for the record a chart (Attachment B) showing the allocation of block grant funds by state for Fiscal Years 1987 and 1988. Please note that Attachment B must be cross-referenced with Attachment C since BJA has received only 18 applications from the 56 recipients eligible for FY 1988 funds. Of those 18 applications which have been received, 17 have received awards. The remaining one application was received on 4 May 1988 and is still undergoing BJA's review.

All FY 1987 discretionary money was awarded by 30 September 1987, while the FY 1987 formula funds were awarded by early 1988.

Records maintained by the Office of Justice Programs Office of the Comptroller show that as of April 30, 1988, $27,294,106.54 or approximately 15.33% of the total formula grant allocation for fiscal year 1987 have been disbursed. These records are a reflection of the amount of money that has actually been drawn down. The total amount that has been subgranted by the States, which is greater, is depicted. Projects are encouraged to only draw down enough funds to have three days' cash on hand. For example, although a state may award a $10,000 project to last one year, the only amount reflected as being disbursed in the Office of the Comptroller records would be the amount of money drawn down to date.

And finally Mr. Chairman, there is the question of whether the drug grant program should be continued and if so, at what level should it be funded. President Reagan has called upon both Houses of Congress, majority and minority parties alike, to join with him in a special executive-legislative task force to explore issues as to how this country can further promote its' war against drugs. The President has made it clear that the task force will examine every aspect of the drug problem and that no stone will go unturned. It will report its findings to the President in early July. I would look forward in working with Congress in implementing the most promising recommendations and suggestions of this bi-partisan task force.

By the end of this Administration, the federal government will have tripled the resources that are being put into the war against drugs at the federal level by raising it from $1.2 billion in 1981 to over $4 billion in the next fiscal year. We at the Department of Justice have done, and will continue to do, everything we can to foster Federal, state, and local cooperation to attack the drug abuse problem in the most efficient and effective ways possible. I would now be happy to entertain any questions you may have at this time.

FISCAL YEAR 1987
JUSTICE ASSISTANCE/DRUG CONTROL BLOCK-FORMULA GRANT
RECAP

Attachment A

	JUSTICE ASSISTANCE			DRUG LAW ENFORCEMENT -Admin-			Program			TOTAL DRUG
	REC'D	SIGNED	AMOUNT	REC'D	SIGNED	AMOUNT	REC'D	SIGNED	AMOUNT	
* ALABAMA	2/6	2/27	615,000	12/8/86	1/2	299,600	7/13	10/29	2,696,400	2,996,000
ALASKA	8/10	8/28	297,000	05/5	7/7	82,300	9/17	9/28	740,700	823,000
ARIZONA	2/17	3/26	540,000	04/29	5/13	247,800	8/3	9/9	2,230,200	2,478,000
ARKANSAS	2/9	3/2	464,000	08/19	9/3	64,000	4/22/88	5/22/8	1,900,000	1,964,000
CALIFORNIA	7/2	8/6	2,646,000	02/16	3/13	1,686,600	8/4	9/24	15,179,400	16,866,000
COLORADO	2/10	4/2	544,000	02/19	3/26	250,600	6/11	7/14	2,255,400	2,506,000
CONNECTICUT	4/22	5/18	538,000	02/09	3/09	100,000	5/20	7/17	2,370,000	2,470,000
DELAWARE	8/05	8/31	307,000	03/10	3/27	88,600	8/3	9/22	797,400	886,000
* DIST. OF COLUMBIA	2/10	4/2	307,000	12/5	1/2	88,900	6/25	9/22	800,100	889,000
* FLORIDA	2/10	4/2	1,283,000	02/10	2/26	285,014	8/20	10/29	7,269,986	7,555,000
GEORGIA	2/11	4/2	793,000	01/23	2/18	421,000	8/5	9/25	3,789,000	4,210,000
HAWAII	7/6	8/4	346,000	04/20	5/13	115,400	10/23	11/09	1,038,600	1,154,000
IDAHO	4/22	5/13	341,000	12/5	1/2	112,400	8/18	9/10	1,011,600	1,124,000
ILLINOIS	1/14	2/17	1,298,000	11/24	1/2	536,000	4/13	6/3	7,124,000	7,660,000
INDIANA	9/22	9/28	750,000	01/06	2/2	391,300	9/25	9/30	3,521,700	3,913,000
IOWA	8/10	8/20	512,000	12/04	1/2	229,000	7/14	8/11	2,061,000	2,290,000
KANSAS	4/16	5/15	473,000	02/24	4/8	202,100	8/24	9/18	1,818,900	2,021,000
KENTUCKY	2/10	3/09	589,000	12/04	1/2	281,300	7/24	8/12	2,531,700	2,813,000
LOUISIANA	2/09	3/09	657,000	03/23	4/14	328,200	12/28	2/1/88	2,953,800	3,282,000
* MAINE	4/16	5/13	356,000	04/08	5/1	122,200	8/25	10/30	1,099,800	1,222,000
MARYLAND	8/10	9/28	649,000	02/02	3/25	322,600	8/21	9/30	2,903,400	3,226,000
MASSACHUSETTS	10/2	10/30	779,000	02/17	3/24	411,400	9/8	9/29	3,702,600	4,114,000
MICHIGAN	4/13	5/13	1,076,000	01/23	2/11	160,000	4/17	6/4	5,981,000	6,141,000
MINNESOTA	6/15	6/29	631,000	01/23	2/25	310,300	6/8	7/20	2,792,700	3,103,000
MISSISSIPPI	2/17	3/23	488,000	12/16	2/2	212,200	7/31	8/31	1,909,800	2,122,000
MISSOURI	2/3	3/9	707,000	01/28	2/17	280,177	7/6	7/29	3,341,823	3,622,000
MONTANA	1/13	3/25	325,000	12/30	2/11	101,300	5/11	6/24	911,700	1,013,000
NEBRASKA	4/2	5/6	396,000	12/09	2/3	149,700	7/28	8/28	1,347,300	1,497,000
NEVADA	1/21	3/27	335,000	01/28	3/9	36,000	8/31	9/28	1,045,000	1,081,000
* NEW HAMPSHIRE	1/30	3/16	341,000	12/4	2/3	111,900	5/4	8/6	1,007,100	1,119,000
NEW JERSEY	12/19/86	2/26	937,000	03/10	4/14	480,000	9/30	11/13	4,714,000	5,194,000
NEW MEXICO	6/26	8/4	382,000	04/3	4/9	140,000	3/18/88	4/28/8	1,260,000	1,400,000
NEW YORK	2/19	4/8	1,866,000	12/9	2/5	1,153,900	7/31	9/24	10,385,100	11,539,000
NORTH CAROLINA	3/16	4/8	818,000	12/18/86	1/2	438,300	7/20	8/18	3,944,700	4,383,000
NORTH DAKOTA	1/13	3/27	312,000	02/19	4/2	32,375	9/18	9/30	892,625	925,000
OHIO	1/28	2/26	1,226,000	11/14/86	1/2	716,900	6/11	7/29	6,452,100	7,169,000
OKLAHOMA	3/25	4/9	550,000	11/18/86	1/27	254,900	8/28	9/22	2,294,100	2,549,000
OREGON	7/28	8/18	494,000	06/08	6/19	216,800	9/18	9/30	1,951,200	2,168,000
PENNSYLVANIA	2/11	4/9	1,327,000	01/13	2/17	785,800	6/22	8/18	7,072,200	7,858,000
RHODE ISLAND	5/28	6/18	338,000	01/13	3/2	110,100	10/20	11/13	990,900	1,101,000
SOUTH CAROLINA	2/10	4/14	554,000	02/09	3/25	257,800	8/31	10/29	2,320,200	2,578,000
SOUTH DAKOTA	7/1	8/4	314,000	06/08	6/19	93,900	7/29	9/4	845,100	939,000
TENNESSEE	9/22	9/30	683,000	02/17	3/12	345,600	8/18	9/10	3,110,400	3,456,000
TEXAS	4/27	6/15	1,738,000	02/10	3/26	1,066,200	7/31	8/18	9,595,800	10,662,000
UTAH	3/11	4/23	400,000	04/03	4/23	152,100	7/27	8/6	1,368,900	1,521,000
VERMONT	2/10	4/08	299,000	- - - -	- - - -	- - - -	8/18	9/30	832,000	832,000
VIRGINIA	4/22	5/18	769,000	12/18/86	2/2	404,200	6/19	7/29	3,637,800	4,042,000
WASHINGTON	5/29	8/4	651,000	01/7	2/4	323,700	7/13	8/7	2,913,300	3,237,000
WEST VIRGINIA	9/10	9/22	426,000	12/1/86	1/27	170,200	12/10	12/23	1,531,800	1,702,000
WISCONSIN	10/20/86	11/21	684,000	01/13	2/3	225,160	9/21	9/25	3,238,840	3,464,000
WYOMING	8/28	9/22	296,000	05/13	6/8	81,600	8/28	9/22	734,400	816,000
PUERTO RICO	9/2	10/30	547,000	04/15	5/13	181,667	11/6	12/23	2,348,333	2,530,000
AMERICAN SAMOA	12/29	2/22/88	87,780	03/12	4/3	52,200	7/30	9/8	469,800	522,000
GUAM	8/4	9/4	133,000	04/14	5/5	57,400	8/20	9/17	516,600	574,000
No.Marianas	7/28	8/28	45,220	12/15/86	2/25	51,200	7/27	8/28	460,800	512,000
VIRGIN ISLANDS	2/27	4/2	260,000	12/23/86	2/3	56,700	9/17	9/30	510,300	567,000

More than 60 days between drug program application receipt and approval. These applications determined to be incomplete and additional time required for additional materials to be submitted by state and reviewed by BJA.

DRUG LAW ENFORCEMENT PROGRAM
STATE BY STATE ALLOCATION OF FUNDS

Attachment B

State	FY 1987	FY 1988	Percentage to be Passed through to Local Jurisdiction
Alabama	2,996,000	957,000	48.72%
Alaska	823,000	560,000	14.54
Arizona	2,478,000	874,000	64.04
Arkansas	1,964,000	768,000	53.47
California	16,866,000	3,544,000	66.87
Colorado	2,506,000	869,000	64.83
Connecticut	2,470,000	860,000	45.13
Delaware	886,000	571,000	25.66
Dist. of Columbia	889,000	571,000	100.00
Florida	7,555,000	1,817,000	62.85
Georgia	4,210,000	1,189,000	56.92
Hawaii	1,154,000	620,000	48.50
Idaho	1,124,000	613,000	61.59
Illinois	7,660,000	1,803,000	65.32
Indiana	3,913,000	1,121,000	58.48
Iowa	2,290,000	822,000	54.77
Kansas	2,021,000	778,000	54.73
Kentucky	2,813,000	921,000	31.84
Louisiana	3,282,000	1,008,000	53.52
Maine	1,222,000	632,000	45.77
Maryland	3,226,000	1,004,000	41.24
Massachusetts	4,114,000	1,158,000	43.37
Michigan	6,141,000	1,532,000	60.67
Minnesota	3,103,000	975,000	67.32
Mississippi	2,122,000	796,000	50.92
Missouri	3,622,000	1,072,000	64.00
Montana	1,013,000	592,000	55.39
Nebraska	1,497,000	680,000	58.75
Nevada	1,081,000	609,000	72.43
New Hampshire	1,119,000	616,000	51.05
New Jersey	5,194,000	1,360,000	60.74
New Mexico	1,400,000	667,000	41.33
New York	11,539,000	2,505,000	61.73
North Carolina	4,383,000	1,214,000	42.50
North Dakota	925,000	577,000	64.81
Ohio	7,169,000	1,713,000	70.25
Oklahoma	2,549,000	873,000	46.88
Oregon	2,168,000	804,000	50.86
Pennsylvania	7,858,000	1,841,000	69.41
Rhode Island	1,101,000	610,000	44.95
South Carolina	2,578,000	881,000	41.91
South Dakota	939,000	580,000	50.62
Tennessee	3,456,000	1,042,000	59.39
Texas	10,662,000	2,382,000	67.87
Utah	1,521,000	688,000	50.05
Vermont	832,000	561,000	23.14
Virginia	4,042,000	1,153,000	31.96
Washington	3,237,000	1,003,000	56.37
West Virginia	1,702,000	716,000	49.21
Wisconsin	3,464,000	1,040,000	64.90
Wyoming	816,000	557,000	57.68
Puerto Rico	2,530,000	869,000	
Virgin Islands	567,000	512,000	
American Samoa	522,000	504,000	
Guam	574,000	514,000	
No. Mariana Is.	512,000	502,000	
Total	178,400,000	55,600,000	

Attachment C

5/23/88
(as of)

FY - 1988
DRUG LAW ENFORCEMENT
FORMULA GRANT PROGRAM

$55,600,000
(available)

18 Applications Recd 12 Awards Signd $12,991,000 Awarded

STATE	RECD	AMOUNT	STATUS	SIGNED OFF
Alabama				
Alaska				
Arizona				
Arknsas	4/22	768,000	AWARDED	5/18/88
Calfrnia				
Colorado				
Conn				
Delawre				
D. C.				
Florida				
Georgia				
Hawaii				
Idaho !	4/27++	613,000	PDMD 5/23	
Illinois				
Indiana				
Iowa				
Kansas				
Kentucky				
Louisiana	5/2++	1,008,000	PDMD 5/18	
Maine				
Maryland				
Maachst				
Michigan	3/28	1,532,000	AWARDED	5/18/88
Minnsota				
Mississip				
Missouri	4/11	1,072,000	AWARDED	5/9/88
Montana	4/12	592,000	AWARDED	4/28/88
Nebrska				
Nevada	2/11	609,000	AWARDED	3/21/88
N. Hamp	3/4	616,000	AWARDED	3/28/88
N. Jersey				
N. Mexico				
N. York				
N. C.	4/14	1,214,000	AWARDED	5/18/88
N. Dakota				
Ohio	3/10	1,713,000	AWARDED	4/5/88
Oklahoma !	3/15	873,000	AWARDED	5/23/88
Oregon				

Attachment C pg. 2

STATE	RECD	AMOUNT	STATUS	SIGNED OFF
Penn.				
Purto Rico				
R. I.				
S. C.	5/4++	881,000	undr revw	
S. D. !	3/23	580,000	AWARDED	5/23/88
Tenn.				
Texas	2/22	2,382,000	AWARDED	4/5/88
Utah				
Vermont				
Virgn Ile !	4/28++	512,000	PDMD 5/23	
Virgnia				
Washngtn				
W. V. !	5/9++	716,000	PDMD 5/23	
Wiscnsn	2/2	1,040,000	AWARDED	3/3/88
Wyomng !	5/2++	557,000	PDMD 5/23	
Am Samoa				
Guam				
NMarians				

NOTE:-
PDMD means BJA reviews compltd - in OC certification process
++ means application not complete (but reviews continuing)
! means STATUS change since last report

Of the 56 offices designated to administer the drug law enforcement formula grant program, 46 are the same office that has been designated to administer the Justice Assistance block grant program. The ten states that have separate designated state offices are:-

	DLE	JAA
Arizona	Crim Just Commisn	Dept Pub Safety
Iowa	Dept Pub Health	Dept of Mngmnt
Kansas	Office of Admin	Atty Genl
Maine	Dept Pub Safety	Justice Asstnce Councl
Maryland	Offce Just Asstnce	Dept Pub Safty & Corrctnal Svcs
New Jersey	Atty Genl	Planning Agncy
South Dakota	Atty Genl	Dept Commerce & Regulations
Tennessee	Planning Office	Dept Corrctns
Vermont	Dept Pub Safety	Dept Human Svcs
Wyoming	Div Crim Invest	Div Community Progs

6/16
(as of)

FY - 1988
DRUG LAW ENFORCEMENT
FORMULA GRANT PROGRAM

$55,600,000
(available)

26 Applications Recd 19 Awards Signd $17,958,000 Awarded

STATE	RECD	AMOUNT	STATUS	SIGNED OFF
Alabama				
Alaska				
Arizona				
Arknsas	4/22	768,000	AWARDED	5/18/88
Calfrnia				
Colorado	5/31++	869,000	undr revw	
Conn				
Delawre				
D. C.				
Florida				
Georgia				
Hawaii				
Idaho	4/27	613,000	AWARDED	5/26/88
Illinois				
Indiana				
Iowa !	6/15	822,000	undr revw	
Kansas				
Kentucky				
Louisiana	5/2	1,008,000	AWARDED	5/26/88
Maine !	6/16++	632,000	undr revw	
Maryland				
Maachst				
Michigan	3/28	1,532,000	AWARDED	5/18/88
Minnsota !	6/6	975,000	PDMD 6/14	
Mississip				
Missouri	4/11	1,072,000	AWARDED	5/9/88
Montana	4/12	592,000	AWARDED	4/28/88
Nebrska !	5/16	680,000	AWARDED	6/15/88
Nevada	2/11	609,000	AWARDED	3/21/88
N. Hamp	3/4	616,000	AWARDED	3/28/88
N. Jersey				
N. Mexico !	5/25++	667,000	PDMD 6/15	
N. York !	5/25++	2,505,000	PDMD 6/15	
N. C.	4/14	1,214,000	AWARDED	5/18/88
N. Dakota				
Ohio	3/10	1,713,000	AWARDED	4/5/88
Oklahoma	3/15	873,000	AWARDED	5/23/88
Oregon				

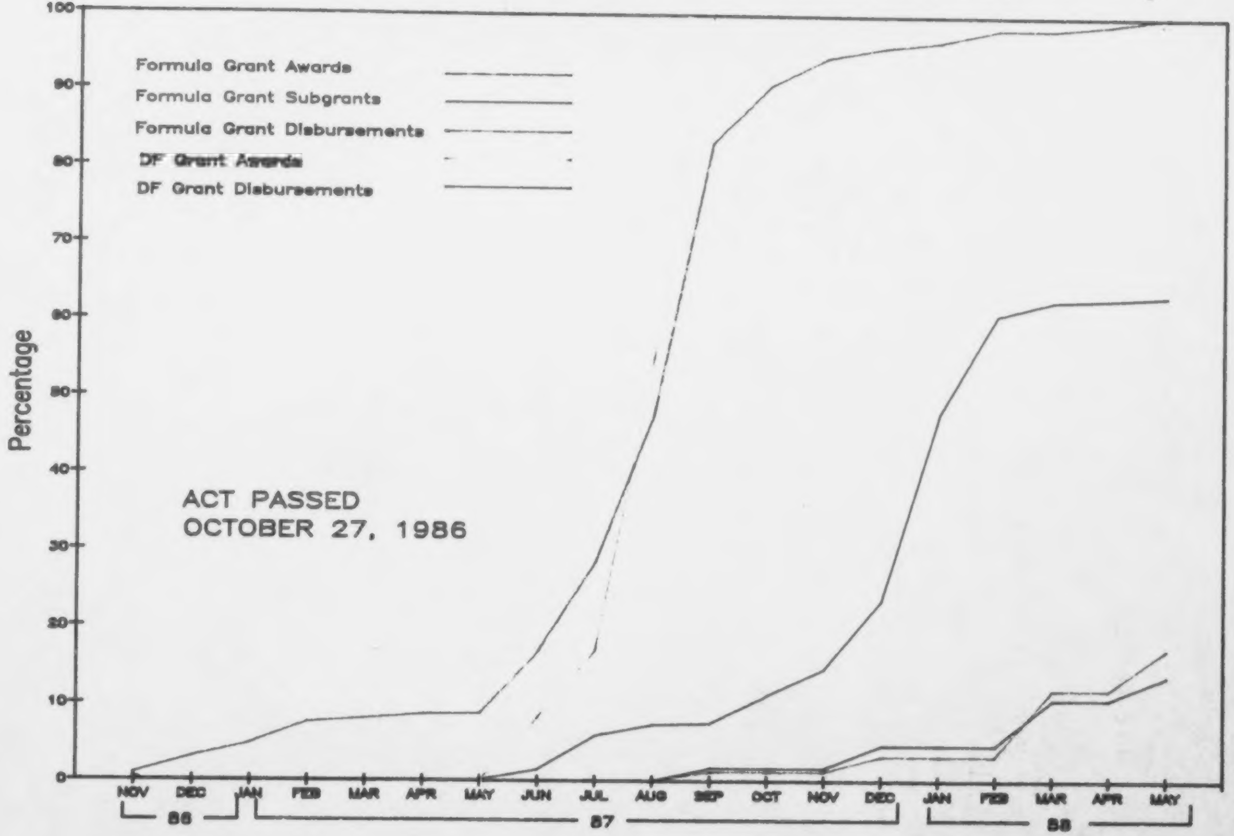
STATE	RECD	AMOUNT	STATUS	SIGNED OFF
Penn.				
Purto Rico				
R. I.				
S. C.	5/4	881,000	AWARDED	6/3/88
S. D.	3/23	580,000	AWARDED	5/23/88
Tenn.				
Texas	2/22	2,382,000	AWARDED	4/5/88
Utah				
Vermont				
Virgn Ile	4/28	512,000	AWARDED	5/26/88
Virgnia				
Washngtn				
W. V.	5/9	716,000	AWARDED	5/26/88
Wiscnsn	2/2	1,040,000	AWARDED	3/3/88
Wyomng	5/2	557,000	AWARDED	5/26/88
Am Samoa	6/2	504,000	undr revw	
Guam				
NMarians				

NOTE:- PDMD means BJA reviews compltd - in OC certification process
++ means application not complete (but reviews continuing)
! means STATUS change since last report

Of the 56 offices designated to administer the drug law enforcement formula grant program, 45 are the same office that has been designated to administer the Justice Assistance block grant program. The eleven states that have separate designated state offices are:-

	DLE	JAA
Alaska	Crim Invest Bur	Dept of Law (Atty Genrl)
Arizona	Crim Just Commisn	Dept Pub Safety
Iowa	Dept Pub Health	Dept of Mngmnt
Kansas	Office of Admin	Atty Genl
Maine	Dept Pub Safety	Justice Asstnce Councl
Maryland	Offce Just Asstnce	Dept Pub Safty & Corrctnal Svcs
New Jersey	Atty Genl	Planning Agncy
South Dakota	Atty Genl	Dept Commerce & Regulations
Tennessee	Planning Office	Dept Corrctns
Vermont	Dept Pub Safety	Dept Human Svcs
Wyoming	Div Crim Invest	Div Community Progs

DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS/BUREAU OF JUSTICE ASSISTANCE
STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE ACT - FY 1987



Testimony given by
David G. Schroot, Director of the
Ohio Governor's Office of Criminal Justice Services
before the
House Select Committee on Narcotics Abuse and Control

May 26, 1988

INTRODUCTION

Chairman Rangel and Committee members, my name is David G. Schroot. I am the Director of the Ohio Governor's Office of Criminal Justice Services. I am here at the request of the Committee to testify on the State of Ohio's implementation of the Anti-Abuse Abuse Act of 1986.

First, I would like to discuss the steps Ohio took to develop strategy and implement the federal assistance for drug law enforcment received under the Act.

DATA COLLECTION

The Governor's Office of Criminal Justice Services collected and reviewed statistical data from the following sources:

1. Several years of statewide Ohio Citizen Attitude Surveys, conducted by our office, which included data on drug issues.
2. The National Institute of Drug Abuse, which makes available to Ohio information on teen drug use, general drug use, and hospital emergency room treatments.
3. The Ohio Department of Health, which provided data on drug-related deaths, drug-related emergency room treatments, drug abuse costs, and county-by-county drug seriousness indices.
4. Ohio's Organized Crime Consulting Committee, which provided data on organized crime control efforts in 1986.
5. The Ohio Bureau of Criminal Identification and

Investigation, which provided detailed statistical profiles of drug investigations in Ohio.

6. The Uniform Crime Reports since 1982, which were reviewed by 8 different drug categories to see the drug trends in Ohio.
7. The Ohio Department of Rehabilitation and Correction and the Ohio Department of Youth Services, which provided data on drug offenders entering their institutions.

The inquiry revealed a number of significant conclusions:

1. Ohio citizens are concerned about drug abuse and the link to criminal behavior.
2. Two major drug problems exist in Ohio: An increase in the use of cocaine and crack and abuse of prescription drugs.
3. Drug abuse is greatest in Ohio's six largest cities.
4. A majority of drug abusers are young males. However, females are more often seen in hospital emergency rooms which may reflect the misuse of prescription drugs.
5. Drug abuse costs Ohio in excess of $3 billion annually.
6. There is a strong link between drugs and organized crime.
7. The state is receiving more and more requests from local government for greater state involvement in drug control efforts.

PUBLIC HEARINGS

Public hearings were held in late 1986 and early 1987 in Columbus, Toledo, and Dayton, which underscored the following needs as expressed by local officials:

1. More resources must be directed at the apprehension of drug traffickers and the treatment of drug users.
2. Increased coordination of law enforcement organizations is necessary, including pooling of resources at local, state, and federal levels.
3. A special emphasis is needed to gear treatment programs and services to young drug dependent offenders, particularly in minority groups. Indigent drug dependent offenders often are the last to receive treatment from the existing treatment system and this population is at high risk.

SURVEYS

Over 1,500 surveys were mailed by my office to hundreds of public officials who were asked to rank the importance of various programs available under the Act to address Ohio's drug problem. About one-third responded. The top areas of concern in Ohio were:

1. Apprehension of drug traffickers;
2. Prosecution of drug offenders;
3. Supervision and treatment of adult and juvenile drug dependent offenders.
4. Training for criminal justice personnel.

STATE LEVEL COORDINATION

Governor Celeste's Council on Recovery Services, which is composed of all state level agencies concerned with drug and alcohol problems, met extensively in cooperation with my office to coordinate the three sources of funding under the Anti-Drug Abuse

Act. In addition, the Ohio Law Enforcement Liaison Committee was consulted as our strategy was developed. This Committee is comprised of: Ohio chiefs of police, sheriffs, crime prevention officers, prosecuting attorneys, the judicial conference, the State Supreme Court, the Ohio Highway Patrol, U.S. Attorneys, the state legislature, the Municipal League, the Attorney General, and County Commissioners. Meetings also occurred with state departments concerned with institutional treatment of juvenile and adult offenders.

IMPLEMENTATION

These data and conclusions were used to formulate Ohio's strategy and to complete the original drug application in early June, 1987. The release of guidelines and applications followed shortly. The strategy is as follows:

1. To provide state and local officials with resources to apprehend major drug traffickers and provide for eradication programs;
2. To provide laboratory and prosecutorial services to convict major drug traffickers;
3. To provide resources to supervise and treat adult and juvenile drug dependent offenders with a special emphasis on indigent juvenile drug dependent offenders;
4. To provide up-to-date training for criminal justice personnel involved with the apprehension, prosecution, or supervision and treatment of drug offenders.

DISTRIBUTION

The Distribution of Ohio's FY 1987 Anti-Drug Abuse funds has been as follows:

1. Federal Purpose Area 1: Apprehension of Drug Offenders
    - Law Enforcement Training: Funded 6 projects for a total of $250,958 in federal funds.
    - Narcotics Trafficking Task Forces: Funded 17 projects for a total of $1,693,585 in federal funds.
    - Pharmaceutical Diversion Programs: Funded 5 programs for a total of $233,242 in federal funds.
    - State Assistance to Local Narcotics Investigations: One program for a total of $99,750 in federal funds.

    Total Federal Funds $1,177,535

2. Federal Purpose Area 2: Prosecution of Drug Offenders
    - Laboratory Drug Analysis: 8 programs for a total of $629,193 in federal funds.
    - Prosecutor Training: One program for a total of $15,045 in federal funds.
    - Career Drug Criminal Prosecution: 2 programs for a total of $90,224 in federal funds.

    Total Federal Funds $734,462

3. Federal Purpose Area 5: Eradication Programs
    - Eradication Program: 2 programs for a total of $52,194 in federal funds.

    Total Federal Funds $52,194

4. Federal Purpose Area 6: Programs to Identify and Meet the Needs of Drug Dependent Offenders.
    - Community-Based Treatment for Drug Dependent Offenders: 21 programs for a total of $1,976,940 in federal funds.

- Institutional Treatment for Drug Dependent Offenders: 7 programs for a total of $1,410,969 in federal funds.

Total Federal Funds $3,387,909

The impact the additional federal assistance to Ohio has had on meeting the drug law enforcement needs as identified in our statewide strategy cannot be determined at this time. Most of the programs did not begin actual operations until late 1987 or early this year, due to the time needed to organize grant activities, make needed purchases, and train personnel. However, Ohio is one of 15 states selected to assess the impact of the 1986 Anti-Drug Abuse Act implemented by the Criminal Justice Statistics Association in a current study and funded by the Bureau of Justice Assistance. This effort will include a special drug abuse citizen attitude survey in the fall of this year as well as special monitoring of 18 drug task force projects and 8 crime lab projects, all of which are funded by our office under the Act. Although early in the operational process, my office has contacted a number of the narcotic trafficking task forces funded by the Act to determine the current successes and concerns they have. The Appendix contains individual responses from six task forces.

THE OHIO PLAN

The process used by the State of Ohio to distribute the funds is called the "Ohio Plan". The Ohio Plan was recognized by the American Council on Intergovernmental Relations in 1970's as the most efficient and fairest system for the distribution of grant funds. The Ohio Plan formed the basis of amendments in 1976 to the Omnibus Crime Control and Safe Streets Act. Briefly, the plan uses a formula which takes the "pass through" funds and allocates them using an adjusted ratio of the Uniform Crime Report's Part I crimes to the populations of a given area to determine funding levels.

In Ohio, the six major urban counties and the large cities contained within them, receive about 55% of the available "pass through" funds. These six account for 45% of Ohio's population. Planning and decision-making within state and federal guidelines occur at this level. The remaining 45% of the "pass through" funds are made available to eligible jurisdictions which are grouped together by planning areas composed of several counties. These planning areas are also grouped according to their reported Part I crimes and populations.

The process has resulted in each area of the state being eligible to receive funding which relates to their size and the size of their crime problem in relation to those of the total state as a whole. This system allows small, medium, and large areas to compete for funds. It ensures that the largest urban areas do not take all of the funds. Thus, it provides for a fair distribution of the total "pass through" funds available. In addition, the Ohio Plan also allows my office, the state planning agency, to shift funds to other areas of need should an eligible area elect not to utilize all the funds made available to them.

HOW TO IMPROVE THE ACT

Our views on improving the Act or administration of the program are as follows:

1. In any grant program it is difficult for state and local governments to deal with an influx of federal funds, then receive a 75% reduction in the next year (as occurred in FY 1988 with Anti-Drug funds) with complete uncertainty for future years. Programs need to have at a consistent, realistic funding base for several years. Our experience in Ohio is that, on average, it takes three to four years to prove effectiveness and then sell a program to state or local officials so that it can be intergrated into local budget processes. If the Administration and Congress places a program on a funding roller coaster, then the state and local assistance will also have its up and downs, rendering the program less effective. It is important that state and local governments be given at least three years to prove the success of their programs. The level of Anti-Drug funding to allow this should be at least at the FY 1987 levels. Hopefully, a higher level will be considered to reach many of the purpose areas allowed under the Act that current funding levels are not sufficient to achieve. However, I urge that whatever funding level is chosen, consideration is given to consistent maintenance of effort for the next four years.
2. We urge that fixed dollar amounts not be allocated directly to local jurisdictions. Instead, a method such as the Ohio Plan which designates a centralized state

planning function, considers population and crime in distributing funds and permits larger urban areas to make their own funding decisions is preferable. This method allows a good balance of state and local interests by providing for significant local control and giving the state the flexibility and centralized coordination necessary to assure efficient use of available dollars.

3. In order to prepare an implementation strategy, we urge Congress to allow each state to set program guidelines that must be met to receive funds. In turn, localities should be able to fund what they need, so long as these programs are allowed under the Act and fit within the identified statewide strategy.
4. One method to continue the Anti-Drug program at consistent funding levels might be to create a trust fund from a portion of the federal asset seizure and forfeiture program and revenues and fines levied in federal drug cases. This would create a more stable funding base.
5. To assure input from all relevant constituencies, states should establish advisory committees to help in formulating the state program guidelines, to assure local needs are considered and to provide broad based input resulting in a balanced approach to the problems created by substance abuse in our communities.

I thank you for the opportunity to appear before the

Committee. I'll do my bust to answer any questions you may have.

APPENDIX

NAME OF THE TASK FORCE: Summit Central Tactical Unit

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: 6 agencies Summit County Sheriff's Department, Summit County Prosecutors Office, Akron Police Department, Cuyahoga Falls Police Department; Barberton Police Department and the F.B.I

PERSON CONTACTED: Lt. Bob Scalise, Summit County Sheriff's Department.

POSITION WITH TASK FORCE: Advisor

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? Yes

HOW MANY INVESTIGATIONS ARE UNDER WAY? 5 with 8 arrests accepted by U. S. Attorney and in federal court for indictments.

IF APPLICABLE, HOW MANY BUSTS? 8 have major cocaine investigation (Multi-kilo) organization under way.

ESTIMATED AMOUNT OF DRUGS SEIZED? Two pounds of cocaine - value not determined.

OTHER INFORMATION: Are working on a drug/pornography/public corruption investigation, all three tied in together.

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Yes, Has afforded an informal group the opportunity to have more structure and, therefore, the ability to go after major organizations. Now have location where can meet, do paper work, plan. Have had great federal cooperation (F.B.I., etc.)

FEDERAL FUNDS WERE AVAILABLE?   Would try to increase personnel as this is the one area of the grant which is lacking. Could do extra surveillance work with additional manpower.

NAME OF THE TASK FORCE: Mahoning County Drug Force

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: Six local police departments, F.B.I., IRS and secret service; ATF and one officer from Mahoning County Sheriff's department.

PERSON CONTACTED: Lt. George Stetler

POSITION WITH TASK FORCE: Agent-In-Charge

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? Yes, we are now able to target mid-level dealers, which were neglected before. Sharing and exchanging of information with other agencies invaluable.

HOW MANY INVESTIGATIONS ARE UNDER WAY? 10

IF APPLICABLE, HOW MANY BUSTS? 10

ESTIMATED AMOUNT OF DRUGS SEIZED? 1 - 1 1/2 pounds cocaine; 50 - 60 pounds marijuana. Seeking forfeitures on two trucks and $12,000 cash.

OTHER INFORMATION: Weapons recovered in every bust including several automatic weapons.

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Definitely. Federal level funding and enforcement is important, however, local enforcement agencies know best how to deal with the low level and mid-level dealers. Without federal funding, local efforts cannot continue.

HOW WOULD YOU EXPAND YOUR CURRENT DRUG ACTIVITIES IF ADDITIONAL FEDERAL FUNDS WERE AVAILABLE? If we had more officers assigned to the unit, could double or triple arrests. When you have funds to purchase drugs and pay informants, and have needed equipment, you can dramatically impact on the problem.

NAME OF THE TASK FORCE: Geauga County Narcotics Unit

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: 8

PERSON CONTACTED: Leo Elersic

POSITION WITH TASK FORCE: Agent Supervisor

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? No arrests as yet.

HOW MANY INVESTIGATIONS ARE UNDER WAY? In sixteen townships, approximately ten underway and have purchased cocaine, 19 counts of trafficking, drug abuse involved.

IF APPLICABLE, HOW MANY BUSTS? N/A

ESTIMATED AMOUNT OF DRUGS SEIZED? N/A

OTHER INFORMATION: The Task Force will be recovering $40,000 in stolen goods due to the drug investigations.

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Yes, the drug problem is prevelent in Geauga County area, and major Kingpins are still operating. It will take a long period of surveillance to apprehend these people.

HOW WOULD YOU EXPAND YOUR CURRENT DRUG ACTIVITIES IF ADDITIONAL FEDERAL FUNDS WERE AVAILABLE? We would put on more full-time agents. We would concentrate more on surveillence on known drug dealers, to establish that certain properties being used only as drug houses, busts would increase forfeited assests to fund more drug activities. We would also hire a legal consultant to help with investigations, and conduct financial checks on dealers to improve prosecution. We would also purchase more state of the art surveillence equipment. Would set up 24-hour drug hotline.

NAME OF THE TASK FORCE: Franklin County Narcotics Task Force

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: 37

PERSON CONTACTED: Lt. John Tilly

POSITION WITH TASK FORCE: Project Coordinator

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? Yes, project began full operations in March after training was completed.

HOW MANY INVESTIGATIONS ARE UNDER WAY? 14

IF APPLICABLE, HOW MANY BUSTS? 6

ESTIMATED AMOUNT OF DRUGS SEIZED? In two months of operation:

	Estimated Value
28# of marijuana	$14,000
11 oz. of Coke	22,000
A soaper lab	30,000
$40,000 cash seized	40,000
Total	106,000

and one car was seized.

OTHER INFORMATION:

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Yes, as the program cannot be self supported without the additional years of funding.

HOW WOULD YOU EXPAND YOUR CURRENT DRUG ACTIVITIES IF ADDITIONAL FEDERAL FUNDS WERE AVAILABLE? Task force would purchase more equipment such as needed surveillance equipment.

NAME OF THE TASK FORCE: SECO (Southeast Counties)

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: All major law enforcement agencies in Ross, Jackson and Gallia counties.

PERSON CONTACTED: Mike Fenderbosch

POSITION WITH TASK FORCE: Coordinator

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? Yes

HOW MANY INVESTIGATIONS ARE UNDER WAY? Six that are active.

IF APPLICABLE, HOW MANY BUSTS? Three

ESTIMATED AMOUNT OF DRUGS SEIZED? 2000 marijuana plants = estimated value $50,000.

OTHER INFORMATION:

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Yes

HOW WOULD YOU EXPAND YOUR CURRENT DRUG ACTIVITIES IF ADDITIONAL FEDERAL FUNDS WERE AVAILABLE? More agents are needed to cover the 1300 miles covered by the Task Force and more confidential funds needed.

NAME OF THE TASK FORCE: WEB Narco Unit

NUMBER OF LAW ENFORCEMENT AGENCIES PARTICIPATING: 6 cities

PERSON CONTACTED: Bill Szabo

POSITION WITH TASK FORCE: Assistant Special Agent in Charge

EVEN THOUGH IT IS EARLY IN THE GRANT PERIOD, HAS THE FUNDING HAD ANY IMPACT ON DRUG ENFORCEMENT IN THE AREA COVERED BY YOUR TASK FORCE? Had a three year international investigation for cocaine and heroin - 257 dealers involved. Ended March 31st.

HOW MANY INVESTIGATIONS ARE UNDER WAY? Approximately 50.

IF APPLICABLE, HOW MANY BUSTS? One

ESTIMATED AMOUNT OF DRUGS SEIZED? 36 oz cocaine, $40,000 in cash, large amount of weapons and drug paraphenalia seized.

OTHER INFORMATION:

IS IT IMPORTANT THAT THIS LEVEL OF FUNDING BE CONTINUED FOR SEVERAL MORE YEARS? Absolutely, in order to get mandatory charges brought, courts use the amount of drugs seized. Have to buy drugs, using confidential funds, to build the cases for prosecution.

HOW WOULD YOU EXPAND YOUR CURRENT DRUG ACTIVITIES IF ADDITIONAL FEDERAL FUNDS WERE AVAILABLE? Funds needed for informant and undercover buy which are extremely valuable in building cases. Additional funds would be used to increase the number of agents.

STATEMENT OF

JOE D. WHITLEY

DEPUTY ASSOCIATE ATTORNEY GENERAL

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING

FEDERAL ASSISTANCE TO STATE AND LOCAL LAW ENFORCEMENT

ON

MAY 26, 1988

MR. CHAIRMAN AND MEMBERS OF THE SELECT COMMITTEE:

THANK YOU FOR THE OPPORTUNITY TO APPEAR TODAY TO DISCUSS FORFEITURE AND THE RELATED EQUITABLE SHARING PROGRAM. I WOULD LIKE TO EXPRESS THE DEPARTMENT'S APPRECIATION FOR THE LEADERSHIP OF THIS COMMITTEE IN THESE AREAS OF MUTUAL CONCERN. WE VALUE THE EXCELLENT WORKING RELATIONSHIP THAT THIS COMMITTEE HAS FOSTERED OVER THE LAST SEVERAL YEARS TOWARD A GOAL OF SOLVING PROBLEMS AS THEY ARISE IN THIS RAPIDLY CHANGING AREA OF LAW ENFORCEMENT.

LET ME DISCUSS SEVERAL ASPECTS OF FORFEITURE, PARTICULARLY THE EQUITABLE SHARING PROGRAM, BEFORE ADDRESSING THE SPECIFIC CONCERNS OUTLINED BY THE COMMITTEE IN ITS MAY 3, 1988 LETTER TO ATTORNEY GENERAL MEESE.

BACKGROUND

THE COMPREHENSIVE CRIME CONTROL ACT OF 1984 AUTHORIZED THE FEDERAL GOVERNMENT, FOR THE FIRST TIME, TO SHARE FEDERALLY FORFEITED PROPERTY AND THE NET PROCEEDS OF THAT PROPERTY WITH STATE AND LOCAL LAW ENFORCEMENT AUTHORITIES. THE DEPARTMENT OF JUSTICE HAS ADMINISTERED THE EQUITABLE SHARING PROGRAM TO ENHANCE COOPERATION AMONG THE FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT AGENCIES. WE BELIEVE THAT THE PROGRAM HAS MADE GREAT STRIDES TOWARD ACCOMPLISHING THIS GOAL.

THE ATTORNEY GENERAL'S GUIDELINES ON SEIZED AND FORFEITED PROPERTY (GUIDELINES), WHICH WERE APPROVED BY THE ATTORNEY GENERAL IN MAY 1985 AND AMENDED IN APRIL 1987, ARE THE FOUNDATION OF THE EQUITABLE SHARING PROGRAM. THE GUIDELINES IMPLEMENT FEDERAL STATUTES AUTHORIZING THE ATTORNEY GENERAL TO EFFECT EQUITABLE TRANSFER OF FORFEITED PROPERTY TO PARTICIPATING STATE OR LOCAL LAW ENFORCEMENT AGENCIES.

ACCOMPLISHMENTS OF THE EQUITABLE SHARING PROGRAM

IN SEPTEMBER 1987, THE JUSTICE MANAGEMENT DIVISION SURVEYED STATE AND LOCAL RECIPIENTS TO LEARN ABOUT THE EFFECTS OF THE SHARING PROGRAM. THE SURVEY PROVIDED EVIDENCE THAT THE PROGRAM IS MEETING ITS PRIMARY GOAL OF FOSTERING COOPERATION AMONG FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT AGENCIES. OVER NINETY-NINE PERCENT OF THOSE SURVEYED SAID THEY WOULD COOPERATE AGAIN WITH FEDERAL AGENCIES IN ORDER TO RECEIVE ADDITIONAL SHARED RESOURCES. EIGHTY-NINE PERCENT OF ALL RESPONDENTS REPORTED THAT THE SHARED FUNDS HAD A MODERATE TO GREAT IMPACT ON FIGHTING CRIME. GENERALLY, ALL RECIPIENTS WERE EXTREMELY PLEASED WITH THE PROGRAM.

THE FORFEITURE AND RELATED SHARING PROGRAM HAVE GROWN TREMENDOUSLY SINCE THEIR INCEPTION. 1/ THE FORFEITURE PROGRAM CONTINUES TO GROW AT A RAPID PACE. IN FY 1986, THE DEPARTMENT OF

1/ STATISTICS ON SEIZURES, FORFEITURES AND SHARINGS FOR FY 1986, FY 1987 AND FIRST QUARTER FY 1988 ARE ATTACHED.

Justice forfeited over $111 million in property and shared over $24 million with state and local law enforcement officials. In FY 1987, the Department forfeited over $167.2 million, a 50% increase over the previous year, and shared over $68 million, a 180% increase over the previous year. These figures continued to grow in FY 1988. During the first and second quarters alone more than $108 million was forfeited and over $42 million shared.

Obstacles Encountered in the Forfeiture of Seized Assets

Property Management

Cumbersome provisions of the Federal Acquisition Regulations (FAR) are obstacles to the expeditious forfeiture of assets. The Department's forfeiture program requires the services of qualified experts in various fields to assure the accurate identification and secure management of assets seized by federal law enforcement agencies. The FAR were not drafted to address the Department's need for speed and confidentiality in securing such assistance. Therefore, the Department has proposed legislation to permit the expeditious hiring of qualified private experts to perform title searches on properties targeted for seizure and to provide interim management for seized businesses. This exemption would also prevent the public release of confidential information concerning the impending seizure or continuing maintenance of an asset.

Legal

Problems with title insurance and related issues continue to impede the Department's ability to forfeit and share property. We are working with title insurance companies to resolve these concerns. We have taken three ameliorative steps. First, as a matter of policy, we no longer sanction the use of the administrative forfeiture process for real property. Second, on September 25, 1987, the Asset Forfeiture Office of the Criminal Division promulgated forfeiture notice procedures to all U.S. Attorneys Offices, Organized Crime Strike Force and Organized Crime Drug Enforcement Task Force Offices to ensure proper notification to all potential parties-in-interest in all forfeiture actions. Finally, the Department has provided guidelines to enhance the wording of federal court orders to address all known parties having an interest in the property.

Although we appreciate the concerns of the title insurance industry over the doctrine of "relation-back," we feel that there are adequate protections built into the Department's policy and procedures to allow for remission or mitigation in such cases. The concept of property becoming tainted the moment it is in the control or ownership of a wrongdoer was a fundamental precept of the legislative intent of Congress in codifying this one-hundred-year-old doctrine in the Comprehensive Crime Control Act of 1984.

THE MARSHALS SERVICE IS CURRENTLY PURSUING A NATIONAL CONTRACT FOR TITLE REPORTS AND TITLE BINDERS SERVICES. THE CONTRACT WILL PERMIT A PURCHASER OF FORFEITED REAL PROPERTY TO ORDER TITLE INSURANCE FROM THE CONTRACTOR AFTER FORFEITURE AND SALE BY THE MARSHALS SERVICE. TITLE SEARCHES, WHICH ARE ROUTINELY DONE LOCALLY BY THE MARSHALS SERVICE, WILL ALSO BE MADE AVAILABLE THROUGH THIS NATIONAL CONTRACT. ALL OF THESE STEPS WILL SERVE TO EXPEDITE THE FORFEITURE PROCESS.

ADMINISTRATIVE

TO A LARGE DEGREE, THE DEPARTMENT'S SHARING PROGRAM HAS BECOME A VICTIM OF ITS OWN SUCCESS. THE PROGRAM GENERATED TREMENDOUS INTEREST ON THE PART OF STATE AND LOCAL OFFICIALS, RESULTING IN A HIGHER THAN EXPECTED VOLUME OF APPLICATIONS. AS STATE AND LOCAL OFFICIALS SEE TANGIBLE RESULTS FROM THEIR COOPERATIVE EFFORTS, THEIR RATE OF PARTICIPATION CONTINUES TO INCREASE.

THE ATTORNEY GENERAL, LIKE CONGRESS, HAS A STRONG INTEREST IN THE EFFICIENT OPERATION OF THE FORFEITURE AND EQUITABLE SHARING PROGRAMS. IN JANUARY 1987, THE ATTORNEY GENERAL RECOGNIZED THAT A BACKLOG EXISTED IN PROCESSING ADMINISTRATIVE 2/

2/ "BACKLOG" IS DEFINED AS ANY ADMINISTRATIVE FORFEITURE ACTION
(FOOTNOTE CONTINUED)

AND JUDICIAL 3/ FORFEITURE ACTIONS. IN ADDITION TO DELAYING DEPOSITS TO THE ASSETS FORFEITURE FUND, THIS BACKLOG DIRECTLY LED TO DELAYS IN EQUITABLY SHARING THE PROCEEDS OF FORFEITURES WITH THE STATE AND LOCAL LAW ENFORCEMENT AGENCIES. CONSEQUENTLY, THE DEPARTMENT INITIATED A SERIES OF ACTIONS TO EXPEDITE THE FORFEITURE AND EQUITABLE SHARING ACTIONS.

IN LATE FEBRUARY 1987, THE ASSOCIATE ATTORNEY GENERAL ISSUED A REPORT ON FORFEITURES AND EQUITABLE SHARING THAT SPECIFICALLY FOUND THAT THE BACKLOG IN PROCESSING EQUITABLE SHARING REQUESTS WAS CAUSED BY THE DELAY IN PERFECTING THE UNDERLYING FORFEITURE ACTION. NO SHARING CAN OCCUR UNTIL A FORFEITURE ORDER HAS BEEN ISSUED. A SECONDARY FACTOR CAUSING DELAY IN THE SHARING PROCESS WAS THE TIME REQUIRED TO DISPOSE OF FORFEITED PROPERTY PRIOR TO ITS TRANSFER. THE REPORT CLEARLY INDICATED THAT, CONTRARY TO WHAT OUTSIDE COMPLAINTS HAD CHARGED, THE BACKLOG IN THE EQUITABLE

(FOOTNOTE CONTINUED)
IN WHICH A DECLARATION OF FORFEITURE HAS NOT BEEN COMPLETED BY THE SEIZING AGENCY WITHIN 120 DAYS OF THE DATE OF SEIZURE AND, WHERE A RELATED EQUITABLE SHARING REQUEST IS FILED, IN WHICH A FINAL SHARING DECISION HAS NOT BEEN MADE WITHIN 120 DAYS OF THE DATE OF SEIZURE OR 60 DAYS OF THE DATE OF RECEIPT OF A PROPERLY COMPLETED SHARING APPLICATION, WHICHEVER IS LATER. DISPOSAL OF FORFEITED ASSETS BY THE U.S. MARSHALS IS NOT INCLUDED IN THE 120 DAY TIME PERIOD.

3/ "BACKLOG" RELATIVE TO JUDICIAL FORFEITURES INCLUDES ONLY THOSE ACTIONS OVER WHICH THE PARTICIPATING AGENCIES HAVE CONTROL, E.G., NOTIFYING U.S. ATTORNEYS OF THE NEED TO INSTITUTE CIVIL FORFEITURE PROCEEDINGS, FILING CIVIL FORFEITURE SUITS, AND NOTIFYING SEIZING AGENCIES AND THE U.S. MARSHALS OF SHARING DECISIONS. THOSE MATTERS IN THE PROVINCE OF THE COURTS, E.G., THE SCHEDULING OF ANCILLARY HEARINGS, WHILE CLEARLY CONTRIBUTING TO THE OVERALL PROCESSING DELAYS, ARE NOT INCLUDED IN THE "BACKLOG" DEFINITION. DISPOSAL OF FORFEITED ASSETS BY THE U.S. MARSHALS IS NOT INCLUDED IN THE DEFINITION.

SHARING PROGRAM WAS NOT CAUSED PRIMARILY BY ADMINISTRATIVE INEFFICIENCIES IN PROCESSING THE SHARING APPLICATIONS. THE BOTTOM LINE WAS THAT THE DEPARTMENT HAD TO IMPROVE ITS FORFEITURE PROCESSING IN ORDER TO DECREASE ITS SHARING BACKLOG.

IN FEBRUARY 1987, THE DRUG ENFORCEMENT ADMINISTRATION HAD A BACKLOG OF APPROXIMATELY 9,500 ADMINISTRATIVE FORFEITURE ACTIONS; THE FEDERAL BUREAU OF INVESTIGATION HAD ABOUT 1,000 CASES IN THIS STATUS. ON AVERAGE, EACH ADMINISTRATIVE FORFEITURE ACTION WAS TAKING 250 DAYS FOR THE DEA TO COMPLETE AND 240 DAYS FOR THE FBI TO COMPLETE. ADDITIONALLY, THE U.S. ATTORNEYS HAD OVER 1,000 JUDICIAL FORFEITURE ACTIONS PENDING IN LITIGATION. THE NATIONAL AVERAGE FOR COMPLETING JUDICIAL FORFEITURES IS 18 MONTHS. THIS INCLUDES THE TIME FOR FILING, NOTIFYING THIRD PARTIES, CONDUCTING DISCOVERY, AND ACTUALLY LITIGATING THE CASE.

THE DEPARTMENT WAGED AN AGGRESSIVE EFFORT TO REDUCE THE BACKLOG. TO THIS END, THE ASSOCIATE ATTORNEY GENERAL ISSUED A DIRECTIVE TO THE DEA AND FBI TO REDUCE THE PROCESSING TIME FOR ADMINISTRATIVE FORFEITURES TO 120 DAYS. THIS DIRECTIVE LISTED SEVERAL SPECIFIC STEPS THAT THE INVESTIGATIVE AGENCIES HAD TO FOLLOW TO ACHIEVE THIS GOAL. CLEARLY, EXPEDITING THE ADMINISTRATIVE FORFEITURE PROCESS WAS CRITICAL TO EXPEDITING THE ENTIRE SHARING PROCESS. THIS CONTINUES TO BE SO TODAY, SINCE 85 PERCENT OF ALL FORFEITURE ACTIONS AND COMPANION SHARING DECISIONS ARE ADMINISTRATIVE.

To help expedite judicial forfeitures, the Associate Attorney General directed the U.S. Attorneys and the Criminal Division to increase the resources devoted to prosecuting judicial forfeitures. This, of course, could only partially expedite the time-consuming litigation process that is unavoidably hamstrung by court dockets and procedural requirements that are outside of the Department's control.

In addition, the Department has become increasingly concerned with the growing number of "adoptive forfeitures" because they contribute to the backlog. We are considering ways to address this issue. Adoptive forfeitures arise when a federal investigative agency accepts a seizure for federal forfeiture where a state or local agency has handled the entire underlying investigation and seizure. Department policy dictates that the federal investigative agency should adopt the forfeiture only where 1) there is a valid, good faith "prosecutorial" purpose for doing so; and 2) the federal investigative agency has assessed the facts and circumstances upon which the original seizure was based and is satisfied that there is adequate probable cause to support the seizure. The numbers of adoptions represent 25% of the DEA forfeiture caseload and 70% of the FBI caseload.

The Department is working with the State Attorneys General through the National Association of Attorneys General, on the

ADOPTION ISSUE. WE WILL CAREFULLY CONSIDER THEIR INPUT WHEN REFINING OUR POLICY.

RECOMMENDATIONS AND CORRECTIVE MEASURES

STREAMLINING FORFEITURES

AS WE INDICATED, THE DELAY IN PROCESSING THE UNDERLYING FORFEITURE ACTION CAUSED THE "SHARING BACKLOG." THEREFORE, THE INVESTIGATIVE AGENCIES WERE INSTRUCTED TO, AND DID SUCCESSFULLY, REDUCE THE PROCESSING TIME FOR ADMINISTRATIVE FORFEITURES. AS OF DECEMBER 31, 1987, THE DEPARTMENT SAW DRASTIC REDUCTIONS IN THE PROCESSING TIME FOR ADMINISTRATIVE FORFEITURES AS A RESULT OF THE CORRECTIVE MEASURES IT UNDERTOOK. THE FBI REDUCED ITS ADMINISTRATIVE FORFEITURE BACKLOG BY 83% TO 173 CASES OLDER THAN 120 DAYS. AT THE SAME TIME, DEA REDUCED ITS BACKLOG BY 70%, TO 2,805 CASES OLDER THAN 120 DAYS.

THE DEPARTMENT IMPLEMENTED SEVERAL CORRECTIVE MEASURES TO ELIMINATE THE BACKLOG IN PROCESSING FORFEITURES. THE ASSOCIATE ATTORNEY GENERAL DIRECTED THE HEADS OF THE FBI AND DEA TO REDUCE, IN PHASES, ADMINISTRATIVE FORFEITURE PROCESSING TIME TO BE NO LONGER THAN 120 DAYS BY JULY 1, 1988. IN ORDER TO ACHIEVE THIS GOAL, THE FBI AND DEA HAVE TAKEN THE FOLLOWING ACTIONS:

- Temporarily detailed on-board headquarters and field personnel from other operating programs, in addition to any which were already detailed to the forfeiture program.

- Authorized the use of overtime and compensatory time, to the extent not already employed, for current headquarters and field forfeiture staff, until such time as overtime is no longer required due to the acquisition of contract staff.

Currently, the DEA and FBI are processing administrative forfeitures on average within 150 days, a 40% reduction in processing time from January 1987. All components continue to provide the additional resources to the forfeiture program to reduce the processing time for each administrative forfeitures and companion equitable sharing decisions to 120 days.

The Department has experienced less success in reducing the processing time for judicial forfeitures and sharings. Although the U.S. Attorneys and the Criminal Division followed the Attorney General's directive and took a variety of steps to increase the resources applied to judicial forfeiture, the infusion of more resources only partially reduced their processing time. This is understandable given the limited amount of control the Department can exercise over the judicial process.

At the request of the Associate Attorney General, each U.S. Attorney has taken the following actions to expedite judicial forfeitures:

- Reduced the time involved in filing and litigating judicial forfeitures. Reviewed civil forfeiture filings and made decisions on them within ten days of referral from the seizing agency.

- Reviewed each office's asset forfeiture litigation caseload to identify those older cases that required increased attention. (The U.S. Attorneys Offices were informed that the Criminal Division's Asset Forfeiture Office was available to assist offices in reviewing older cases to determine which should be settled.)

- Made equitable sharing decisions or recommendations within ten days of receiving the decision forms (DAG-72s) from the seizing agency, as required by the *Guidelines*. Made decisions or recommendations even if the litigation was still pending.

- Ensured that necessary staff were assigned to appear in any court proceedings relating to the liquidation and disposal of forfeited real property.

CONTRACTS

SINCE THE ASSETS FORFEITURE FUND CAN BE USED TO PAY FOR CONTRACT SERVICES, EACH PARTICIPATING COMPONENT WAS DIRECTED TO AND HAS TAKEN STEPS TO HIRE CONTRACT PERSONNEL TO HANDLE THE CLERICAL, DATA ENTRY AND ANALYTICAL DUTIES ASSOCIATED WITH FORFEITURES AND SHARING. THIS WILL ENABLE EACH AGENCY TO MAXIMIZE USE OF THEIR APPROPRIATED POSITIONS FOR MANAGEMENT AND DECISIONMAKING RESPONSIBILITIES.

LAST FALL, ALL COMPONENTS SURVEYED THEIR OPERATIONS, DEFINED THE SKILLS AND LEVEL OF EFFORT NEEDED, AND PREPARED STATEMENTS OF WORK REQUIRED FOR CONTRACTUAL BID SOLICITATION. TO OVERCOME THE FRAGMENTATION OF EACH AGENCY PROCESSING ITS OWN CONTRACT, THE AGENCIES CONSOLIDATED THEIR REQUIREMENTS SO THAT A SINGLE CONTRACT COULD BE AWARDED BY THE JUSTICE MANAGEMENT DIVISION.

THAT CONTRACT IS EXPECTED TO BE AWARDED IN JULY 1988. AT THAT TIME, THE DEPARTMENT WILL CONDUCT BACKGROUND CHECKS ON POTENTIAL CONTRACT HIRES. AFTER THIS PROCESS IS COMPLETED (ABOUT 90 DAYS), ALL CONTRACT PERSONNEL SHOULD BE ON-BOARD.

THE EXECUTIVE OFFICE FOR U.S. ATTORNEYS IS DRAFTING A REQUEST TO THE ASSET FORFEITURE POLICY ACTION COMMITTEE TO USE THE ASSETS FORFEITURE FUNDS FOR CONTRACT PERSONNEL TO PERFORM CLERICAL, DATA ENTRY AND PARALEGAL WORK ASSOCIATED WITH FORFEITURES IN THE U.S. ATTORNEYS' OFFICES. A DECISION IS EXPECTED SHORTLY.

Finally, to provide non-litigative legal advice in complex forfeitures, the Department has developed guidelines for the selection and retention of private counsel by the Marshals Service, in consultation with the local U.S. Attorney. The Asset Forfeiture Office, Criminal Division, in coordination with the Asset Forfeiture Policy Advisory Committee developed the guidelines that were subsequently signed by the Associate Attorney General on April 14, 1988.

Streamlining Equitable Sharing

The Asset Forfeiture Policy Advisory Committee recently considered options for streamlining the equitable sharing procedures themselves. The Committee has recommended further decentralizing decisionmaking by raising the dollar thresholds for assigning decisionmakers and eliminating one level of decisionmaker, the Deputy Attorney General. Under the proposed changes, equitable sharing decisions on assets forfeited administratively, up to $750,000, would be decided by the investigative agency headquarters. Sharings in judicial forfeitures up to $750,000 would be decided by the U.S. Attorney. The Assistant Attorney General of the Criminal Division would decide sharings in administrative and judicial forfeitures between $750,000 and $2 million; the Associate Attorney General would decide sharings over $2 million.

CONCLUSION

AS YOU CAN SEE, THE DEPARTMENT HAS MADE GREAT STRIDES IN STREAMLINING FORFEITURES AND THE EQUITABLE SHARING PROGRAM. WE WILL CONTINUE TO DEVOTE RESOURCES TOWARD THIS GOAL.

THIS CONCLUDES MY STATEMENT MR. CHAIRMAN. THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THE COMMITTEE. I WILL GLADLY ANSWER ANY QUESTIONS YOU OR THE COMMITTEE MAY HAVE AT THIS TIME.

Attachment 1

May 13, 1988

DOJ SEIZURES AND FORFEITURES
(Dollars in Millions)

	FBI		DEA		INS		DOJ TOTAL	
	Seizures	Forfeitures	Seizures	Forfeitures	Seizures	Forfeitures	Seizures	Forfeitures
FY 1986	$ 89.2	$36.4	$401.0	$ 64.8	$31.4	$10.4	$521.6	$111.6
FY 1987	$214.0	$39.1	$500.6	$120.8	$26.5	$ 7.3	$741.1	$167.2
FY 1988 (1st quarter)	$ 21.0	$10.3	$118.7	$20.4	$ 5.0	$ 2.2	$144.7	$ 32.9

Source: FBI, DEA and INS.

EQUITABLE SHARING
(Dollars in Millions)

	DOJ TOTAL
FY 1986	$ 24.4
FY 1987	$ 68.8
FY 1988 (1st and 2nd quarters)	$ 42.3

Source: U.S. Marshals Service.

For Release Only Upon Delivery

STATEMENT

BY

JOSEPH H. AUTRY, M.D

ASSOCIATE ADMINISTRATOR FOR POLICY COORDINATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

BEFORE THE

HOUSE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

MAY 26, 1988

Mr. Chairman and Members of the committee, I am Dr. Joseph Autry, Associate Administrator for Policy Coordination of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). Accompanying me are Dr. Elaine Johnson, Director of the Office for Substance Abuse Prevention, ADAMHA, and Dr. Roy Pickens, Director for Clinical Research and Associate Director for AIDS, NIDA. We are grateful for the opportunity to participate in this hearing on the status of the grant programs enacted under P.L. 99-570, the Anti-Drug Abuse Act of 1986.

ADAMHA played, and continues to play, a significant role in implementing this legislation in the three key areas. The first is in providing financial assistance to State and local treatment and prevention services through block grant programs. Second, the agency performs a number of prevention and education activities aimed at alcohol and drug abuse through its Office for Substance Abuse Prevention (OSAP). Third, the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) received additional research and demonstration funding under the Act. I would like to address our implementation of each of these areas in turn.

FINANCIAL ASSISTANCE TO STATES

As you may know, the ADAMHA has provided treatment and prevention services funding to the States since fiscal year 1982, through the Alcohol and Drug Abuse and Mental Health Services (ADMS)

Block Grant (Part B, Title XIX, Public Health Service Act). Section 1916 (c)(8) of that law requires that each State set aside at least 20 percent of its alcohol and drug abuse allotment for prevention services. At current rates, approximately $50 million per year are spent nationally on alcohol and drug abuse prevention and $203,000,000 for treatment. Mental health services also receive funding, based on statutory formula, under this program.

The ADMS Block Grant received a substantial enhancement with the enactment of P.L. 99-570, the "Anti-Drug Abuse Act of 1986." In addition, $162,855,000 was provided in FY 1987, and $155,917,000 in FY 1988 solely for alcohol and drug abuse treatment and prevention. This program, known as the Alcohol Drug Treatment Rehabilitation (ADTR) Block Grant, required distribution to the States based on a formula of 45 percent population, and 55 percent "need" as determined by the Secretary.

Each State received its FY 1987 allotment based on 45 percent population, along with its existing quarterly ADMS Block Grant allotment in January 1987. The 55 percent "need" formula was developed, in conjunction with the States, between January and March of 1987. Awards were made between April and September of 1987 based on receipt of their application.

At this point, all of the ADAMHA block grant money appropriated for FY 1987 has been made available to the States. Each State has two years in which to obligate these funds. States are in the process of applying for their FY 1988 funds. Completed applications received by the ADAMHA are generally processed and awarded within 2 weeks of receipt. Fiscal year 1988 ADMS Block Grant applications were requested from the States on September 24, 1987. To date, applications for these monies have been received and processed for 56 States, Territories, and other qualified entities. Applications for the FY 1988 ADTR funds were requested from States on February 26, 1988. ADAMHA has received and processed applications for these monies from 16 States and Puerto Rico, as of May 20, 1988. Finally, in FY 1989 the Administration has requested $165,917,000 for the ADTR Block Grant, a $10 million increase over FY 1988, and $508,860,000 for the ADMS Block Grant, an increase of $21.6 million.

States are free to prioritize target populations and service areas within their alcohol and drug abuse allotments, and reports to us indicate that they are indeed doing just that. A wide variety of treatment, prevention, and early intervention services is being funded. Reports of these activities have been submitted to the Congress and are available for the Committee.

TREATMENT ISSUES

It is important to recognize at the outset of any discussion on treatment issues that outside of the military and the Veteran's Administration, as with all other areas of health there is no

Federal treatment system. Our health care system of hospitals, clinics, physicians' offices or other treatment settings are not under Federal control. Rather, there is a system of State, local and private treatment providers who receive the majority of their treatment funding from non-Federal sources. The Federal Government has, since the early 1970s provided, either by formula grant, project grant or block grant, limited financial assistance to treatment providers. Today, the Federal Government provides an estimated 15.7 percent of the national treatment funding for alcohol and drug abuse services to States. The remainder is financed through third-party reimbursement (including Medicare and Medicaid to those eligible), State and local programs, and client payment.

With regard to those programs enacted under P.L. 99-570, the Alcohol, Drug Abuse and Mental Health Administration has preliminary information on the use of funds allocated to States in FY 1987, the first year of the Alcohol and Drug Treatment and Rehabilitation (ADTR) Block Grant Program.

All fifty States, the District of Columbia, Guam and Puerto Rico have voluntarily supplied data on the ADTR Block Grant Program to the National Association of State Alcohol and Drug Abuse Directors, NASADAD. ADAMHA has an ongoing contract with NASADAD to collect and report information from the States on publicly financed alcohol and drug abuse activities.

For FY 1987, Congress appropriated $163 million for the ADTR Block Grant program. Of this amount, States proposed an allocation more than half (56.5%) to programs that provide combined alcohol and drug abuse services. When programs focused on either drugs or alcohol, but not both, drug abuse programs accounted for a little more than a quarter of the allocation -- 27.4% -- while alcohol services represented only 16.1% of the program mix.

In terms of dollars, combined alcohol and drug programs received more than $92 million, drug-focused activities approximately $45 million, and alcohol services $26 million.

When asked to provide information on the type of service financed by the ADTR Block Grant program, States reported that an overwhelming 87.7% of the funds are being spent on treatment and rehabilitation. Emphasis on treatment and rehabilitation is also reflected in the fact that more than a third of the States put all of their allocation into those categories. While our regulations permit States to use up to 2% of their allotment to cover the costs of program administration, States have limited their administrative costs to approximately 1%. Other types of services financed by the ADTR Block Grants included prevention, outreach, criminal justice, evaluation, training and vocational services.

During FY 1987, States estimate they admitted over 163,000 clients to treatment funded by the ADTR Block Grant Program. Of those admitted for treatment, approximately one third were treated for drug abuse, one third for alcohol abuse or alcoholism and one-third received services in a program that combines alcohol and drug abuse treatment. This latter category -- combined alcohol and drug abuse treatment -- represents a growing trend of clients that suffer both alcohol and drug related problems.

States projected that during FY 1987, almost half of the services provided with ADTR funds (49.7%) will be in outpatient programs. Detoxification services account for 19% of admissions followed by residential services at 14%. Methadone maintenance accounts for 5 percent of services, while such programs as treatment of criminal justice populations, day treatment, and family services total approximately 12 percent. In terms of how broadly States provide various services, nine out of ten use some funds for residential treatment and outpatient treatment. Approximately half the States (53%) provide detoxification services financed by the ADTR. Sixteen States provide methadone maintenance services.

In terms of how ADTR funds are targeted to specific drugs of abuse, well over half (58%) are targeted on drugs other than alcohol, with the illicit drug cocaine receiving the highest allocation (13%). Other drugs targeted include opiates (5%), marijuana (7%), PCP (a little more than half a percent), inhalants (one tenth of one percent).

Finally, States have provided information on how ADTR funds have been targeted on special populations. Almost half the funds (48%) were targeted on youth under the age of 18. AIDS initiatives accounted for 9.5% of the funds, women for almost 5% of the funds, homeless for 4.5%, criminal justice for 9.2%, and minority groups for 14%.

The question of treatment capacity is a complicated one. Treatment systems exist in all States, but vary widely in their capacities based on individual differences in the scope of their drug abuse problems. Incidence and prevalence of drug abuse varies widely from State to State, as do the types of drugs abused and the routes of administration. The emergence of new forms of drug abuse, such as "crack" cocaine, and of new dangers, such as the spread of the AIDS virus through sharing of needles, were not anticipated even a few short years ago. Therefore, in those States and localities with the worst epidemic surges of these problems, there may well be a lack of capacity to meet current perceived need. In other States, treatment capacity may continue to be more than adequate. It is important to remember that although treatment for all may be our ultimate national goal, it is highly unlikely that all in need of treatment will seek it, and certainly not all at the same time.

The Federal strategy in treatment is to continue to provide flexible support to the States via the block grant mechanism, and allowing the States to prioritize where they will invest State and Federal funding for treatment services. Additionally, the Administration has requested $40 million in the President's fiscal year 1989 budget to be utilized as demonstration programs specifically targeted to those areas with AIDS/IV drug abuse problems. Because IV drug abuse and seropositivity for AIDS are epidemic in some urban areas, while virtually unknown in many areas of the country, we feel that these targeted demonstrations are a more efficient use of resources than a block grant for this particular problem. It also gives the Federal Government an opportunity to evaluate these programs for future use in other communities.

We are aware of the interim recommendations of the President's Commission on the Human Immunosuppression Virus (HIV) Epidemic which calls for a major expansion of treatment capacity. The interim report calls for an expansion to 600,000 treatment slots of which approximately 400,000 would be dedicated to intravenous drug abuse. This topic will be part of the discussion by the Department's AIDS Task Force when it meets at a major conference on June 4 and 5 in Charlottsville, Virginia. A comprehensive AIDS strategy is currently under development and will be discussed at this conference.

OFFICE FOR SUBSTANCE ABUSE PREVENTION

The Office for Substance Abuse Prevention (OSAP) was established with the passage of the Anti-Drug Abuse Act in October 1986. OSAP's congressional mandate includes (1) a model demonstration grant program of community-based prevention programs targeted to high-risk youth; (2) the creation of the National Clearinghouse for Alcohol and Drug Information (NCADI) by consolidating the formerly separate alcohol and drug clearinghouses; (3) a diverse communications program; and (4) conference and workshop support, training, and on-site technical assistance for parent and youth groups and organizations that serve ethnic minorities.

OSAP's funding for FY 1987 included $41.5 million allocated by the legislation and an additional $11 million for prevention-related activities and personnel accrued from the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA). Of this $52.5 million, $24 million was earmarked by Congress for first-year funding for the high-risk youth demonstration grants program. In FY 1988, OSAP's funding level is $34.2 million, including $23.4 million in second-year funding for the grants. The President's budget request for FY 1989 calls forr $34.2 million for OSAP, with $19.7 million in third-year funding for the grants.

OSAP's mission is primary prevention and early intervention strategies with the intent to prevent initiation of alcohol or other drug use among youths or to curtail use early in the substance abuse cycle. Young people who are prevented from experimenting with drugs do not become drug users and avoid the all too well known consequences of use and/or addiction. With the added threat of AIDS through the sharing of contaminated needles, preventing youths from becoming addicted is more important than ever.

Last Fall, OSAP awarded 131, one-to-three year high-risk youth grants to public and private sector agencies and non-profit groups around the country. Of these, 50 percent are for projects in inner-city communities and public housing projects where a large number of ethnic minority youths reside. Twenty-two percent of the grants are targeted specifically to Black youngsters and an additional six percent to Black and Hispanic youths. These youngsters are at high risk for alcohol and other drug use, premature sex, teenage pregnancy, and other problem behaviors that also put them at risk for IV drug use and/or sexual contact with IV-drug users. In fact, youthful IV-drug use is most prevalent among minority youngsters.

High-risk youth usually do not respond to traditional prevention approaches. OSAP's demonstration grants are testing a wide variety of innovative approaches that address the special needs and circumstances of high-risk youth. Through prevention and early intervention with the youths who are at greatest risk for problems with alcohol and other drugs, OSAP is working to forestall early drug use before it progresses to addiction.

A contract for evaluating OSAP's grants will be awarded in June

1988. The evaluation will focus on (1) how programs recruit and retain high-risk youths and their families; (2) how community support for programs is generated among various ethnic and cultural groups; (3) what adaptations are needed to make conventional programs culturally acceptable and accessible to ethnic minorities; and (4) identification of new strategies for reaching and helping high-risk youth and their families. Following evaluation, the most promising programs will be available for adaptation and replication in other communities.

Through the National Clearinghouse for Alcohol and Drug Information, OSAP distributes materials for the Department of Education, the National Institute on Drug Abuse, and the National Institute on Alcohol Abuse and Alcoholism. These materials include research findings, program descriptions, teaching aids, and materials for parents, youth, schools, and communities. OSAP is conducting a major review of alcohol and other drug messages and materials and will create new materials, when needed, especially for ethnic minorities and high-risk populations.

OSAP is conducting media campaigns -- such as the "Be Smart! Don't Start! Just Say No!" campaign -- and participating in joint communications activities with other Federal agencies and private sector organizations. Conference and workshop support, on-site technical assistance, and training are being provided to organizations and groups that serve ethnic minorities, youths, parents, and communities.

A series of five regional training sessions will begin in June to assist ethnic minorities and groups that serve ethnic minority populations. These workshops will feature "how to" information on developing prevention programs, identifying resources for prevention, and building community coalitions to support prevention activities. AIDS training is an important component of these workshops which will be expanded to a total of 15 regional sessions in FY 1989.

RESEARCH

All of the increased funding for research under the Anti-Drug Abuse Act of 1986 has been obligated. The basic division of the $27 million enhancement was $23 million for extramural research, $3 million for intramural research, and $1 million for NIDA's direct operations (contracts, review staff, other support services). The extramural funds were used to fund 75 new project grants, 3 new center grants, 1 new Research Scientist Development Award, and 23 new contracts.

Significant proportions of the intramural and extramural funds were used to expand research on cocaine. NIDA is furthering its study of the mechanisms of cocaine action on the brain. It is hoped that the clarification of these mechanisms will improve our ability to treat cocaine addiction in much the same way that the discovery by NIDA grantees of endogenous opiates and opiate receptors led to new developments in the treatment of heroin addiction. Presently, because of the growing demand for treatment, physicians are using a variety of existing therapeutic agents on cocaine abusers even though those agents have not been tested for their therapeutic effectiveness. Testing these agents has therefore, become a high priority at NIDA. Several studies initiated in the last few years are beginning to show encouraging results. Dr. Herbert Kleber and his coworkers at Yale have recently reported the first extended evaluation of the tricyclic antidepressant desipramine in the treatment of cocaine addicts. Preliminary analysis indicates that desipramine is effective in the treatment of cocaine abusers. Desipramine treated patients showed a significant reduction in weekly cocaine use and the agent appeared to facilitate abstinence by producing a dramatic reduction in craving for cocaine. Another area of expanded cocaine research has to do with the effects of drugs on offspring. Cocaine is known to raise blood pressure and increase contractions of the uterus, factors that can lead to miscarriage. In NIDA supported studies, it was found that women dependent on cocaine ran significantly higher risks of miscarriage than women taking methadone or women free of drugs. We have also learned that maternal cocaine use endangers the fetus directly. The drug constricts arteries leading to the womb, diminishing the amount of blood and, therefore, oxygen, reaching the fetus. Research enhancement funds from P.L. 99-570 also allowed NIDA to expand its treatment research work in the area of heroin addiction.

The emergence of AIDS has caused the Institute to increase its efforts in improving the ability to treat narcotic users. Approximately 25 percent of all AIDS cases are associated with intravenous drug use, which is usually heroin. Treatment for heroin addiction has been found to be effective in preventing the spread of AIDS. By eliminating drug use, treatment eliminates needle sharing, which is one of the major vectors by which the AIDS virus is transmitted. A recent study in New York City found that while 47 percent of IV drug users not in treatment tested positive for the AIDS virus, only 23 percent of IV drug users in methadone maintenance programs tested positive, and only 17 percent of those who had been in methadone maintenance for 5 years tested positive. Since drug abuse is a chronic disorder characterized by many relapses before long-lasting abstinence is attained, it is vitally important that our research leads us to ways for keeping patients in treatment longer. A recent study conducted in drug-free residential treatment programs found that modification of the induction phase of treatment could significantly increase retention and provide a greater opportunity for engagement of the client into treatment. In regard to methadone treatment, recent NIDA supported studies have shown that methadone dose regulation and contingency contracting for methadone take-home privileges represent effective methods for reducing illicit drug supplementation and increasing clinic attendance. These studies suggest that the use of higher methadone doses and additional take-home privileges will decrease illicit drug use and thus enhance treatment of effectiveness.

Within NIAAA, $3 million provided by P.L. 99-570 was obligated as follows:

Four new research projects and portions of a new research center to investigate the determinants of alcohol consumption were funded. These projects are studying plasma ethanol concentration, brain stimulation reward, and neuroendocrine factors that mediate the intake, maintenance and cessation of alcohol drinking.

Additionally, both paternal and postnatal effects of alcohol on puberty and the effect of alcohol on growth hormone, the liver and levels of sexual hormones are being studied by new grantees interested in the effects of alcohol on endocrine and psychosocial and psychosexual development in adolescents.

Finally, NIAAA funded new projects addressing the important problem of developing an objective biological marker of alcohol consumption were funded. Methods of detecting the alcohol metabolite acetaldehyde, complexed with certain blood proteins are one promising avenue being developed. Several different approaches including immunological detection and high performance liquid chromatography are under investigation.

I would be pleased to answer any questions.

Select Committee Hearings on
Anti-Drug Abuse Act of 1986
May 26, 1988

INTRODUCTION

Good morning/afternoon, etc. I am John Gustafson, Deputy Director of the New York State Division of Substance Abuse Services. Thank you for the opportunity to testify today on behalf of my Director, Julio Martinez, and New York's drug abuse treatment and prevention system.

All of a sudden, it seems, drugs are "page one" again. Public attention is again focused -- at least for the time being -- on drug-related problems. "Crack babies", school dropouts, shootings of police officers, drug deals, burglaries and homicides, jail and prison overcrowding, prostitution, AIDS, homelessness -- all appear in the papers each day and enter our living rooms on the evening news.

But these problems are not really new. They're variations on the same old problem that never went away. A long-term, deep-rooted and ever-growing problem that began in the 1950s and 1960s is now combined with Crack, with AIDS, with gangs, with violence and bloodshed.

These changes have placed overwhelming demands on the states' and the Nation's abilities to cope with substance abuse. Not only are substance abuse programs strained, but so are our correctional institutions, schools, law enforcement groups, social services agencies and housing facilities.

STATUS OF THE LANDMARK "ANTI-DRUG ABUSE ACT OF 1986"

Faced with these emerging realities two years ago, you here in Washington -- our Representatives and Senators -- put together one of the most important pieces of drug legislation ever to come down from the Hill. As designed, the Anti-Drug Abuse Act would authorize $2.8 billion over a three year period to support a range of drug enforcement, education and treatment initiatives.

When the Anti-Drug Abuse Act of 1986 was signed into law in the Fall of 1986, many in the drug field were pleased to see Washington finally getting serious about helping states and localities fight the drug problem. This pleasure was short-lived, however. Only weeks after signing this landmark legislation, the President was calling for the elimination of second year funding for the Drug Enforcement and Emergency Treatment programs, while he would cut in half the funds authorized for Drug Education and Prevention.

Fortunately, our representatives in Congress saw fit to maintain most of the Anti-Drug programs, and the budget agreement passed last December 23 included a total funding level for the ADM Block Grant, the Emergency Drug Treatment program, the "Drug-Free Schools" education money, and Drug Enforcement grants of $890 million. While representing almost a 12% cut from the first year of the Anti-Drug Abuse Act, this amount is still far greater than the Administration's proposal.

NEW YORK'S EXPERIENCE IMPLEMENTING THE CURRENT FEDERAL ANTI-DRUG PROGRAM

I've been asked to comment today on how New York State is using "the additional Federal funds for drug abuse" that we received and on the "impact this additional assistance is having on meeting drug abuse treatment and prevention needs in New York."

To be blunt, the promises and rhetoric have far exceeded the resources which have found their way to New York State. While funding is provided one year for a new, special initiative, it is too often taken away the next. And for what? Maybe to support a newer, more special effort?

I. MAJOR FUNDING ISSUES UNDER THE ANTI-DRUG ABUSE ACT

In 1986 -- before the Anti-Drug Act -- New York allocated about $19 million in federal funds for drug treatment and prevention, out of our total ADM award of $40.1 million. Under the first year of the Act, this total for drug services increased by $7.5 million dollars. In year two of the new legislation, we expect to receive 26 and a half million -- a slight decrease from last year.

While these additional funds have been of some help, they really represent only a drop in the bucket when we look at the scope of New York's drug problems. Furthermore, we still have not even regained the level of federal drug funding that existed before the Block Grants -- $32 million in federal year 1980.

- ADM BLOCK GRANT

The major source of federal support for substance abuse treatment and prevention is the Alcohol, Drug Abuse and Mental Health (ADM) Block Grant. ADM funds for drug abuse services are used to support the existing school and community-based network of treatment and prevention programs throughout New York State. In 1988-89, areas of particular concern to the substance abuse services system in New York include: services to persons at risk of contacting AIDS and AIDS victims; the homeless substance abusing population, estimated at 10,000; substance abusers in the criminal justice system; cocaine and Crack abusers; children of substance abusers; and the need to expand prevention services, particularly in upstate areas.

When established in federal year 1982, the ADM Block Grant Program translated into a 40 % cut for New York State's drug treatment and prevention programs; in fact, the State has cumulatively lost over $84 million in federal assistance for drug program services from pre-block grant levels.

The current ADM allocation formula continues to shortchange New York by distributing funds on the basis of population and per capita income. If not for a hold harmless provision included in the 1984 amendments, New York's loss of federal funds would be far worse.

- ADTR BLOCK GRANT

During 1988, the State will receive approximately $14.5 million through the ADTR Block Grant. The Congressional intent of this program -- established under the Anti-Drug Abuse Act -- is to provide increased financial assistance to states experiencing a high demand for services and a high level of need. In spite of this mandate, the federal agency responsible for administering this program -- the Alcohol, Drug Abuse and Mental Health Administration -- continues to utilize a distribution formula that, in part, actually rewards a state for devoting less of its own resources for treatment services and penalizes others, like New York, which have demonstrated a strong commitment to providing services.

The State of New York is and should be proud of its accomplishments and national leadership in supporting drug services to those in need. For instance, in 1986, expenditures from all state alcohol and drug agencies nationwide totalled about $750 million. New York accounted for the largest, single expenditure -- or 20% of all state contributions. Our State's level of support for alcohol and drug services, on a per capita basis, is almost triple the National average. We rank second among all the States in terms of per capita support (Alaska is first).

The recently enacted State budget for drug abuse services totals almost $218 million, a 29 percent increase over last year's funding. If we look at expenditures for such services from all sources of funding: State dollars for local programs account for almost half of the total; federal ADM and ADTR dollars make up 11 percent; and the balance is comprised of local tax, client fees and third-party asssistance funds. It is clear that while federal dollars play a significant role in New York's fiscal plan for drug abuse services, it is really State dollars which drive and sustain our efforts.

During the past two fiscal years, the New York State substance abuse service system has experienced significant growth in local assistance funding, manifested in increased capacity and program admissions. This increase largely reflects the strong commitment of the Governor and Legislature to expand the system in response to the problems and priorities which I've already mentioned. The use of additional federal funds -- made available through the ADTR Program -- has been part of this system expansion. Federal 1987 funds partially supported the creation of about 2,000 new methadone maintenance, drug-free residential and drug-free ambulatory slots as part of this overall effort. This expansion has been gradual, with various additional services phased-in during the course of the past year.

2. ADMINISTRATIVE AND MANAGEMENT ISSUES

Concerns regarding the Anti-Drug programs are not just related to dollars. Federal grant programs established under the Anti-Drug Act of 1986 often tend to be incompatible with State fiscal and planning systems, thereby creating unnecessary and burdensome administrative and management problems and preventing the most effective use of federal funds at state or local levels.

For example, block grant funds are awarded based on the Federal Fiscal Year cycle of October 1 through September 30; the New York State budget year extends from April 1 through March 31 annually. This six month difference can produce additional reporting and accounting issues which need to be clarified repeatedly with federal officials. While we certainly realize the need for oversight and monitoring of government funding programs, scrutiny of the Block Grant has seemed a bit excessive -- creating administrative burdens which are contrary to the initial intent of the legislation. In fact, during the six years since the ADM

Block Grant was first implemented, the drug funds received by my agency have been studied, audited, dissected and analyzed at least a dozen times by various federal agencies.

Furthermore, the need to incorporate federal awards within the larger State budget process in New York may sometimes create the appearance of funds not being utilized when, in fact, all have been planned for and allocated as part of a multi-billion dollar spending plan. Let me give you a detailed example of how these administrative obstacles can become exaggerated and misinterpreted.

To date, New York has received an allocation of federal ADTR funds totalling seven and a half million for drug services. The final notice awarding this money was received by New York from ADAMHA last July, almost nine months after the authorization was passed by Congress.

Three months later, the U.S. Conference of Mayors had completed a survey concluding that funds were not being passed through from states to local jurisdictions. This produced a barrage of inquiries from the press, from local agencies and government offices, from Congressional representatives -- wondering why we hadn't yet utilized funds made available the year before.

Well, Members of the Committee, I would like to clarify a couple of points:

1. Funds were not available from the federal government one year before, but only three months earlier; and

2. We have a law in New York that requires the State Legislature to appropriate all funds before they can be spent and also to decide the best programs to spend the money on. This was completed last August (two months before the Mayors' report); and Requests for Proposals were issued, in accordance with a State mandate, by September 15.

Unfortunately, the wheels of government sometimes grind a good deal slower than we would like. But those of us in government -- be it federal, state or local -- all know, I think, that this is the reality we must deal with.

Let's not kid ourselves: the Emergency Treatment and all other drug funding are sorely needed in New York and elsewhere and are being utilized and will continue to be used . . . and still the drug problem will persist. We have not -- as one federal official would have us believe -- "turned the tide" in the drug battle. Really, it's more like the tide has turned on us -- and we're being swamped.

The federal prohibition against the use of funds for capital construction and renovations is a major problem in a state like New York with waiting lists of over 3,000 and existing services overutilized across the State.

Various requirements -- such as set-asides and public hearing mandates -- also fail to acknowledge that some states, like New York, have already met or exceeded such directives through previously established state policies and ongoing operations.

While there has been much discussion in recent years about the need for coordination of drug enforcement with treatment/prevention efforts, many of the drug enforcement grant programs still favor a strong enforcement orientation and provide little flexibility for the development of new models or approaches or for real coordination with the treatment system.

To put it simply, what New York needs from the Federal government is a stable and straightforward funding program and the true flexibility to utilize funds for drug treatment/education/enforcement in ways that make sense to the State and local agencies who must deal directly with the problems on a daily basis.

CURRENT REAUTHORIZATION PROPOSALS - PROS AND CONS

Federal legislation reauthorizing the ADM and ADTR Block Grants is a major item now facing the 100th Congress. While all is not perfect with the Block Grants we do support their continuation. There are a number of reauthorization proposals currently in Congress which, if enacted, would further hurt New York by reducing federal support and disrupting the delivery of ADM-related services. I would like to briefly summarize some of the pros and cons of these proposals as we see them.

1. WAXMAN PROPOSAL - HOUSE

In the House of Representatives, Congressman Henry Waxman, Chairman of the Subcommittee on Health and the Environment, has introduced a formal reauthorization package -- "The Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1987", H.R. 3187. Major components of this measure include the following provisions:

- A split in the disability groups which would create a separate block grant for mental health services and a separate block grant for alcohol/drug services.
- The Waxman proposal would eliminate the hold harmless formula provision included in the 1984 amendments which recognizes the active pursuit by states of past federal categorical grants, consolidated under the ADM Block. It is important to point out here that the receipt of such categorical grant dollars by states was based upon a demonstrated need for services.
- The measure would phase in a new federal funding formula incorporating population, disability weightings, and a fiscal capacity measurement known as total taxable resources.
- Funding for mental health services would be authorized at a level of $320 million, a $72 million increase over the current level.

- Funding for alcohol and drug services would be authorized at a level of $425 million, essentially the same level of funds states now receive for alcohol and drug services under the ADM Block Grant and Emergency Treatment programs combined.

Elimination of the hold harmless provision and introduction of the new "fairness formula" touted by Congressman Waxman would, ultimately, have a devastating impact. If we compare the overall level of funds coming into New York for the three disabilities in FFY 1988 with what we would receive under Waxman's bill in FFY 1990, New York State would lose $12 million. New York's percentage of total federal dollars would fall from a current 8.2% to 5.7%.

There is nothing fair about this formula. Adoption of this allocation method, we believe, would result in a massive realignment of federal funds. Despite the phase-in of funding changes, some states with the most serious drug problems, like New York, could be forced to cut or eliminate existing services, particularly those started in response to the Emergency Treatment (ADTR) Program. In the name of "equity", programs would have to be dismantled in New York to permit program start-ups in other areas of the country.

2. KENNEDY PROPOSAL - SENATE

In the Senate, Massachusetts Senator Edward Kennedy, Chairman of the Committee on Labor and Human Resources, has introduced his version of an

ADM Block Grant reauthorization package, S. 1953. Major features of the bill are:

- Incorporation of the Emergency Treatment Block Grant within the Regular ADM Block;
- Revision of the interstate distribution formula, which maintains some measure of a hold-harmless provision;
- Maintenance of the three disabilities in one Block Grant mechanism;
- Incremental increases in authorized ADM funding over a four year period; and
- Establishment of a new AIDS Block Grant for treatment, outreach and training activities to address the role IV drug use plays in the transmission of the virus.

In general, we support the reauthorization proposal as drafted by the Labor and Human Resources Committee.

3. OTHER NOTEWORTHY FEDERAL INITATIVES

-- OMNIBUS ANTI DRUG ABUSE ACT OF 1988

In reviewing the newly introduced 1988 Omnibus legislation, it is clear that Congress realizes that much more must be done. The new bill builds upon the foundation established in 1986 and reaffirms the federal government's commitment to helping states and localities.

On the plus side, the proposed increases in ADM and ADTR authorizations are particular strengths. The provision allowing the use of 40 % of these new funds for acquisition and capital construction is an answer to a prayer. We've been saying all along that, without the bricks and mortar, you're not going to have a drug treatment system that is capable of meeting the demand for services. However, the benefit of this provision will not be truly realized without the proposed increases in spending to pay for the bricks.

On the minus side, we are particularly concerned about the suggestion that the head of the Bureau of Justice Assistance serve as the federal Drug Czar. Empowering yet another enforcement agency to take control over the entire federal drug strategy will, I'm afraid, tend to reduce the all-important role which demand reduction must play if we are serious about stopping drug abuse behaviors.

-- AIDS/IV DRUG USE

There are a number of other legislative initiatives on the horizon which are essential to the drug treatment field in New York in that they deal with AIDS/IV drug use. If at all possible, components of these proposals should be incorporated -- or at least coordinated with -- the ADM and ADTR Block Grant Programs.

One such important measure is the "Intravenous Substance Abuse and AIDS Prevention Act of 1987", introduced by Congressman Charles Rangel. The bill would provide $400 million a year to expand treatment services to IV drug users; for demonstration projects to reduce and prevent the incidence of AIDS in infants and to provide support to infants who have AIDS; and for counseling and education services to prevent the transmission of the AIDS virus directly and indirectly through IV drug use.

Another important proposal is S. 1220 -- "The AIDS Research and Information Act of 1987", recently passed by the Senate. The bill authorizes $665 million in federal 1988 for AIDS education, treatment and research. Of particular note to the drug treatment field is an amendment added by the bill's prime sponsor, Senator Edward Kennedy, providing a $75 million AIDS Block Grant for states to address the IV drug use relationship.

Mr. James Watkins, Chairman of the Presidential Commission on the HIV Epidemic, has called for a comprehensive and aggressive effort to expand treatment programs for drug abuse and improve health services in dealing with the AIDS problem. Elements of this initiative include:

- Commitment to providing "treatment on demand" for IV drug users;
- Establishment of 3,300 new drug treatment facilities;
- Provision of an additional 32,000 drug treatment specialists;
- Relaxation of current federal constraints on the use of funds to construct, expand and renovate facilities for IV drug treatment; and
- Recognition that rates of effectiveness of treatment are directly related to retention in treatment.

The Chairman has verbally stated that an additional $2 billion annually should be expended on measures that would expand drug treatment and health care services in the effort against the spread of AIDS. Furthermore, these monies should be continued at a rate of $2 billion per year for 10 years, for a total of $20 billion. He suggests that costs be shared by federal, state and local authorities.

THE PRESIDENT'S PROPOSED FFY 1989 BUDGET

In general, President Reagan's proposed budget for the forthcomong year -- FFY 1989 -- retains funding levels established in 1987 when the Anti-Drug

Abuse Act was first implemented. However, it does contain a few, typical inconsistencies and, again, reminds us of the false starts and disappointments experienced two years ago.

For the ADM Block Grant, the Administration proposes to maintain funding at the 87 level. The Emergency Treatment Program is slightly increased, a welcome change from the proposed elimination in last year's budget. The "Drug Free Schools" money is also included at the full level authorized.

And now the bad news . . . The President proposes to reduce funding for the new Office of Substance Abuse Prevention Demonstration Grants by almost $4 million. At this level, only existing grantees could be supported; no new awards could be initiated to develop effective, community-based models for the prevention, treatment and rehabilitation of drug and alcohol abuse among high risk youth.

The President also once again proposes the elimination of the Drug Law Enforcement Formula Grant Program. Given the shooting death of police officer Edward Byrne two months ago in Queens, the inadequacy of this proposal becomes apparent. While informed experts call for the doubling of our drug enforcement, treatment and prevention resources, the Administration feels that we've turned the tide and can now eliminate all support for such efforts.

Clearly, the efforts begun by Congress in passing the Anti-Drug Abuse Act of 1986 must be continued and bolstered in 1988.

RECOMMENDATIONS FOR FEDERAL ACTION

In closing, let me briefly outline some recommendations for federal action which we consider essential:

- In regard to the reauthorization of the ADM Block Grant, we support:

  --retention of the hold harmless provision,
  --maintenance of the Block Grant as a single/unified structure, and
  --increased federal financial participation.

- We also support the elimination of restrictions on the use of funds for capital construction and improvements, as well as the numerous set-aside provisions.

- We encourage greater federal support for state efforts to respond to the AIDS/IV drug use problem, such as that proposed by you, Congressman Rangel, and your colleagues.

- We need more real flexibility for states to implement needed drug services, such as: residential beds for addicts on the streets; AIDS outreach for IV drug users; and new programs to save innocent children who are born homeless and addicted.

- We need more interagency understanding and true coordination of drug treatment/prevention/education/enforcement program efforts at the federal level -- but in a way that makes sense from a "people perspective" not just political ones.

- Perhaps most importantly, we need a consistent and reliable source of support from the federal government -- one which is not subject to constantly changing priorities. We need to continue what we've started and we need a partner we can count on.

NASADAD

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TESTIMONY OF

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DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES
STATE OF FLORIDA

on behalf of

NATIONAL ASSOCIATION OF STATE ALCOHOL AND
DRUG ABUSE DIRECTORS

before the

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
HOUSE OF REPRESENTATIVES

on

IMPLEMENTATION OF THE ANTI-DRUG ABUSE ACT OF 1986
DRUG TREATMENT GRANTS TO STATES

MAY 26, 1988

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.

INTRODUCTION

Thank you for the invitation to appear before you today to address the implementation of the drug abuse treatment grants to States authorized by the Anti-Drug Abuse Act of 1986 (P.L. 99-570).

My name is Linda Lewis. I serve as Administrator of the Florida State Division of Alcohol and Drug Abuse Programs within the Department of Health and Rehabilitative Services and am appearing before you today as a member of the National Association of State Alcohol and Drug Abuse Directors (NASADAD).

As you are aware, the membership of the National Association of State Alcohol and Drug Abuse Directors (NASADAD) is comprised of the State officials designated by the Governors to administer the publicly-funded alcohol and drug treatment and prevention services system. NASADAD is a not-for-profit organization; our primary goal is to promote the development of effective alcohol and drug treatment and prevention programs throughout the nation.

Before I begin our statement, I wish to express the NASADAD membership's sincere appreciation and recognition of the strong leadership role which you and the other members of the Select Committee on Narcotics Abuse and Control undertook in the development and passage of the Anti-Drug Abuse Act of 1986. I would also like to note for the record that you have been an outstanding advocate within the U.S. Congress for drug abuse treatment and prevention programs for many years and we look forward to your continued assistance and support.

Mr. Chairman, you and the members of your Committee are already familiar with the range, complexity and seriousness of the problems which result from alcohol and drug abuse. These problems impact on every sector of our society, transcending socio-economic levels, race, age, and sex. Overall, yearly direct and indirect expenses of these illnesses total over $176 billion, based on such factors as costs related to reduced productivity, mortality, treatment, crime, motor vehicle crashes and property loss. These staggering costs do not take into account the personal suffering and individual tragedies which arise from these problems.

Compounding an already catastrophic situation and overtaxed public alcohol and drug treatment system is the tragic detestation occurring as a result of the AIDS epidemic. Increasingly, greater demands for drug abuse services are being made by thousands of individuals who are intravenous drug abusers. These addicts are seeking treatment as a means of preventing their infection with the HIV virus. These same individuals, however, are often informed that treatment slots are unavailable and that their names will be added to waiting lists of approximately three to six months or longer. In Fiscal Year 1987, the States' publicly-funded treatment programs admitted approximately 150,000 intravenous drug abusers to treatment programs. The National Institute on Drug Abuse estimates that there are between 1.2 and 1.3 million intravenous drug abusers in the United States. Obviously, this means that our treatment programs are currently reaching about 10 percent of those so addicted.

And yet, Federal support for programs to prevent and treat drug and alcohol abuse declined 40 percent during the six year period from FY 1980 to FY 1986. In FY 1987, approximately $1.7 billion were expended for publicly-funded drug and alcohol treatment and prevention services. States provided over one-half of these resources, the Federal government less than 20 percent.

IMPLEMENTATION OF THE ADTR BLOCK GRANT

Last year, when the Anti-Drug Abuse Act was enacted and included a supplemental, emergency grant program for treatment services, the States were extremely pleased with the prospect of a renewed commitment by the Federal government to assisting States and local communities in their efforts to prevent and treat drug and alcohol abuse. This new Alcohol and Drug Treatment and Rehabilitation (ADTR) Block Grant provided $163 million in additional funding for FY 1987 with 45 percent of the funds allocated to the States based on population and 55 percent allocated based on a new need and capacity formula.

The States' pleasure in receiving new funds was short-lived, however, when the President did not request any new monies for FY 1988 for continuation of the Federal government's renewed commitment to treating alcohol and drug abuse. What is even more perplexing is that the President proposed that the $163 million appropriated for the FY 1987 ADTR grant program be awarded by the States to cover both FY 1987 and FY 1988. The award letters sent to each of the States by ADAMHA further reflected this two-year scheme by instructing the States to plan to use the ADTR funds over two years. While the States already had the discretion to obligate the monies over a two-year period if they so chose, most States did not believe they should be required to spend it over two years if they could effectively spend the monies in FY 1987.

A State's ability to meet the needs addressed by this supplemental program were further hampered by the fact that each State only received less than one-half of the total funds to be allocated based on population, approximately $73 million, and had just received notice of the application process for the remaining $90 million in emergency funds in April, 1988. All of these monies were required by statute to be made available to the States no later than mid-February of this year.

This uncertainty about the amount of funds each State would receive under the ADTR Block Grant program and about future appropriation of additional sums led some States to decide to spread the money over a multiyear period to assure continued treatment for a smaller group of clients rather than face the possibility of creating a large dependency constituency the first year and then having to terminate treatment to large numbers of people if no new Federal funds were awarded.

Several other factors contributed to the speed with which States are actually drawing down the ADTR funds. First of all, it is important to understand what is meant by the term "draw down". It is a term of art indicating that money from the Federal treasury has actually been attributed to the account of a particular State. Federal law prohibits drawing down of Federal funds too far in advance of actual expenditure - no more than 3 days in advance. Thus, many States use State funds first and rely on Federal reimbursement after the services have begun to be provided. Secondly, under the laws in many States, Federal funds are required to be appropriated by the State's own legislature. Most States were well into their own fiscal years when they received notice of the ADTR grants which necessitated extraordinary action by the State legislatures. Thirdly, most States do not provide the treatment and rehabilitation services directly. Rather, consistent with State laws, the States use a competitive procurement process to select the service providers.

This is a complex formal process which takes many months from publication of a solicitation to selection of the providers.

Lastly, since the Anti-Drug Abuse Act encouraged the States to develop coordinated spending plans, many State Governors established mechanisms to coordinate the use of funds received from the related programs of Education, Justice and ADAMHA to ensure maximum benefit of all the funds. This development of a coordinated State plan and application took additional time and contributed to delays in getting the money to service programs.

NASADAD has been closely involved in the implementation of the treatment, prevention and education programs authorized by Public Law 99-570. Our National Association serves as a focal point for the exchange of information between and among Federal and State agencies and provides technical assistance on the implementation and coordination of these important programs. As such, NASADAD provided information to the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) to assist in the development of the needs-based formula and kept NASADAD members informed about the formula development, application procedures, coordination requirements and other details of implementation.

Additionally, NASADAD sought to keep Members of Congress and the Administration abreast of how and when the States were planning to use the ADTR funds. In a survey sent out to the State Agency Directors in July, 1987, an attempt was made to identify specific services and populations the States planned to target with the ADTR funds. The States were also asked to provide information on their unmet needs and the continuing demand for alcohol and drug abuse treatment services. The results indicated that in most States, these treatment monies were targeted for a significant expansion of services to adolescents, as well as to programs for minority populations and the homeless. Several States also identified intravenous drug abuse and AIDS as a priority area. Many States are also using these funds to supplement current prevention and treatment efforts by expanding existing treatment capacity.

In November 1987, NASADAD asked the States to complete another survey intended to determine whether the States were allocating and drawing down the funds appropriated for the ADTR Block Grant. States were also given an opportunity to indicate factors that contributed to possible delays in the distribution of the emergency treatment funds. A total of 36 States responded to the survey, indicating that a total of $130.6 million had been awarded to these States. By October 31, 1987, $93.4 million had been obligated for services by the 36 States. An additional $11 million was expected to be obligated by December 31, 1987.

NASADAD also encouraged State Alcohol and Drug Abuse Agency Directors in California, Florida, Hawaii, Illinois, Kentucky, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia, and Wisconsin to respond to the

Select Committee's request for information on how each of their States are using the drug abuse treatment funds.

As Chairperson of NASADAD's Research and Technical Assistance Committee, I had the opportunity to work with several other State Agency Directors and ADAMHA officials to design and implement a data collection mechanism to receive information from the States regarding types of services supported by the ADTR money, projected client treatment admissions, allocations targeted to address specific drugs of abuse, and allocations targeted to special populations. This special ADTR survey was appended to the annual State Alcohol and Drug Abuse Profile (SADAP) study which has been conducted for the past four years by NASADAD with the support of the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism.

Although the results of this joint project are not yet final, preliminary data from the 50 States and the District of Columbia, Puerto Rico and Guam indicate that State Alcohol and Drug Abuse Agencies received a total of $168 million (this figure is above the $163 awarded through the ADTR Block because a few Alcohol and Drug Abuse Agencies received funds from other Anti-Drug Act programs). Of the total, $96,570,000, or 56%, has been allocated to combined alcohol and drug abuse programs. An additional $45 million, or 27%, has been directed to drug abuse programs with the remaining $26.4 million directed to alcohol abuse programs.

Projected allocations of ADTR funds by type of service were provided by the States and reflect treatment/rehabilitation as the top priority. In fact, this category received approximately 88 percent of total allocations and for 16 States this was the only category for which ADTR funds were allocated. Other types of services listed in the survey include Outreach, Vocational Services, Administration and "Other", which may include criminal justice, evaluation, intervention, and provider training.

Federal regulations allow for 2 percent of the ADTR funds to be applied to administrative costs. Twenty-nine State Agencies (54.7%) opted to allocate funds to this category. However, administrative costs accounted for only about 1.1 percent of the total ADTR funds.

Data collected in the survey also provides projected client admissions supported by Federal FY 1987 ADTR funds by type of admissions. Fifty States, plus the District of Columbia, Guam and Puerto Rico indicated that they expected a total of over 163,000 client admissions to be supported by the ADTR funds. These admissions will include a total of over 100,000 client admissions for either combined alcohol and drug services or for drug services. Also, it should be noted that a number of treatment specialists believe that the vast majority of clients in alcohol and/or other drug abuse treatment are suffering from combined alcohol and drug problems (or at least have the potential for developing such problems) and that the classification of clients into a single category (i.e., alcohol or drug) may often be somewhat arbitrary or inappropriate.

Information was also collected on the types of services (i.e., detoxification, methadone maintenance, residential, outpatient, and other) to be provided through FY 1987 ADTR funds. Information was available from 45 respondents, including 42 States, the District of Columbia, Guam and Puerto Rico. In terms of client admissions, the largest proportion (49.7%) will receive outpatient services. Detoxification will account for about 18.8% of admissions followed by residential services at 14%; "Other" services (e.g., corrections treatment, day treatment, family services) at 12.5%; and methadone maintenance at 3.5%.

Twenty-six respondents, including 24 States, the District of Columbia and Puerto Rico on projected allocations of FY 1987 ADTR funds targeted to specific drugs of abuse. Well over half of these funds are targeted to drugs other than alcohol, with the illicit drug "cocaine" receiving the highest allocation (12.8%).

Forty-four respondents, including 42 States, the District of Columbia and Puerto Rico provided data on projected allocations for use of the ADTR funds targeted to specific populations. The group most frequently target for services is Youth (under 18); 40 respondents (90.9%) allocated 48% of their targeted FY 1987 ADTR funds to this group. Women were targeted by 14 respondents

(31.8%), and received 4.9% of the targeted funds. Criminal justice clients are target populations for 13 respondents (29.5%) and received 9.2% of the funds. Minority groups are targeted by 12 respondents (27.7%) and receive 4.5% of the funds. While AIDS initiatives are targets for nine respondents (20.5%), they receive the second largest special population allocation at 9.5% of the total ADTR funds.

NASADAD will be happy to share the complete results of the ADTR survey as soon as they become available.

RECOMMENDATIONS

While the members of NASADAD were extremely pleased with the initial passage of the Anti-Drug Abuse Act of 1986 and with the seemingly renewed interest by the Congress and the Administration in focusing on the demand reduction side of the "war on drugs", this pleasure turned to frustration as the Administration and Congress debated over future FY 1988 appropriations.

This frustration, along with the lack of a coordinated demand reduction and supply reduction strategy points to the need for strong Federal leadership and an equal partnership with the States and local communities to develop and implement a long-term strategy for effectively addressing our nation's alarming alcohol and drug abuse problem. NASADAD believes that a coordinated balanced approach must be adopted to combat the drug problem including equal attention and equal resources for supply reduction and demand reduction activities.

In addition, NASADAD supports the principle that "treatment on demand" must be available to serve all citizens who are dependent upon drugs as recommended recently by the Presidential Commission on the HIV Virus. Both Federal and State resources must be increased to provide these essential services. It is clear that in order to be successful in combatting this drug problem, the nation must adopt a comprehensive long-term strategy that includes appropriate coordination and provision of sufficient resources.

NASADAD also supports strong research programs by the National Institutes on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA). these programs are critical in the establishment of a knowledge base for the alcohol and drug abuse field. The States do advocate, however, for a greater emphasis within the Institutes on applied research in the areas of prevention and treatment. The field is in dire need of quality outcome evaluation studies. We need to know what types of treatment and prevention strategies are the most effective for specific populations.

The Anti-Drug Abuse Act also authorized the creation of a new Office For Substance Abuse Prevention (OSAP) within the Alcohol. Drug Abuse and Mental Health Administration (ADAMHA). NASADAD, along with other constituent groups, has been involved in the implementation of this new entity's initiatives. We believe that OSAP has been provided a major opportunity to play a national leadership role in the prevention of alcohol and drug abuse problems. NASADAD recommends the expansion of the focus of OSAP and that it be encouraged to expand the demonstration projects for high risk youth to other youth and adult populations who would also benefit from the demonstration of effective prevention, intervention and treatment initiatives.

NASADAD also suggests that NIAAA and NIDA be provided Congressional support and resources for an immediate expansion of their epidemiological activities. During discussions surrounding the development of the need and capacity formula for the ADTR monies, it was readily apparent that while there exists excellent county level data on the problems of alcoholism and alcohol abuse, there are no national reporting systems in place for the collection of county level data on other drug abuse problems. The Federal government needs to collect data such as the mortality, morbidity and homicide rates resulting from drug abuse and addiction. There also needs to be a process for ascertaining the critical elements to best describe the extent of the drug abuse problem and to discuss the most appropriate methodology for the collection of such data. It should be noted that while we advocate for an expansion of the Institutes epidemiological program, the solution to this problem is not to place mandatory reporting requirements on the ADMS of ADTR Block Grant programs.

State agencies already participate on a voluntary basis in a national data collection system on expenditures and clients in the publicly-funded treatment and prevention system. The types of epidemiological data that are needed must be collected from a much broader universe than only the publicly-funded treatment system.

NASADAD looks forward to continuing to work with the Select Committee to establish alcohol and drug abuse treatment and prevention as majority priorities as the Administration and the Congress work toward fashioning a national policy and strategies.

Again, thank you for the opportunity to appear before you today.

I. State and Local Narcotics Control Assistance Program

Introduction and Funding. The Anti-Drug Abuse Act of 1986 authorizes a program of State and local narcotics control assistance. This program is authorized for three years. At the Federal level, the program is administered by the Bureau of Justice Assistance in the Department of Justice.

Program funding is summarized in the following table:

	Authorized	Appropriated	President's Request
1987	$230 million	$225 million	*
1988	$230 million	$70 million	-0-
1989	$230 million	No action yet	-0-

The Administration has consistently opposed this program arguing that programs that benefit state and local jurisdictions should be paid for by those jurisdictions and that scarce Federal resources for enforcement should be used to expand Federal anti-drug enforcement, not state and local efforts.

For 1988, Congress provided only $70 million for this program because many States did not receive their 1987 awards until close to the end of the fiscal year, and it was felt that $70 million would be sufficient to maintain the program through 1988.

The bulk of the funding available under the Act (80%) is earmarked for formula grants to the States. Each State, in turn, is required to "pass through" a portion of the State's award to units of local government within the State.

The remaining 20% of funds available are set-aside for discretionary grants.

The attached fact sheet describes the major feature of these grant programs.

Status. This hearing will focus primarily on the formula grants to the States.

For fiscal year 1987, all States have received their formula grant awards. The first awards were made in June of 1987; the last two were not approved until April and May 1988.

Most States' applications for funding were approve by BJA in September 1987. As of September 30, 1987, the last day of fiscal year 1987, BJA had received applications from 49 of the 56 eligible jurisdictions and approved awards to 44 States totaling 83% of the funds available for formula grants.

Additional information on BJA's implementation of the program in 1987 is included in its first annual "Report on Drug Control." Excerpts of this report are attached.

For fiscal year 1988, BJA is trying to expedite the award of funds as much as possible. They have advised each State that if no changes are anticipated in the required statewide strategy, the State may tell BJA its 1987 strategy remains in effect for 1988 and that the programs the State will fund in 1988 will fit under the 1987 strategy.

BJA sent out requests for 1988 applications on November 20, 1987, based on the funding level anticipated in the 1988 continuing resolution. As of May 23, 1988, 18 states have applied for funds, and 12 applications have been approved. The first award was made on March 3, 1988, to Wisconsin.

With regard to the rate at which States are spending amounts received for fiscal year 1987, as of April 30, 1988, States had "drawn down" $27 million of the $178 million available, or 15.46%. For all States, the range of draw downs reported was 0-78 %.

The draw down figure, however, is misleading. First, we are told that the draw down data "as of April 30, 1988," is actually based on information that is not up to date. These data are up to several months old.

Second, the term "draw down" refers to the transfer of funds from the Federal system to a State to pay for bills the State has received or expects to receive within three days. Draw down is the last step in the allocation process. It does not reflect how much of its funds a State has committed, or obligated, for a particular purpose or program. The obligation to spend funds normally will take place long before the funds are actually drawn down.

Third, there are a number of reasons for delays in spending the funds Congress provided. Most first-year awards were not made until September 1987, a year after Congress authorized the program. In addition, the Administration's refusal to seek funds for the program in fiscal year 1988, and again for fiscal year 1989, has created uncertainty in the States. They are reluctant to hire additional personnel and undertake other new commitments if the Federal Government is not going to maintain a commitment to this new program. This uncertainty also impedes planning of new projects. Some states also experienced delays due to the election of new Governors in 1986.

Forfeiture. The Justice Department's testimony will also address the operation of the Justice Assets Forfeiture Fund and the sharing of forfeited assets with State and local enforcement agencies. A brief description of the program is included in the attached materials.

U.S. Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

BJA

Bureau of Justice Assistance

State and Local Assistance for Narcotics Control

FACT SHEET

The Anti-Drug Abuse Act of 1986, Pub. L. 99-570 was signed into law on October 27, 1986. Subtitle K - State and Local Law Enforcement Assistance Act of 1986, provides state and local assistance for narcotics control. The major features of the State and Local Assistance for Narcotics Control Program are described below:

LEGISLATIVELY AUTHORIZED PROGRAM PURPOSES The Bureau of Justice Assistance (BJA) is authorized to make grants to States, for use by States and units of local government, for the purpose of enforcing State and local laws that establish offenses similar to offenses established in the Controlled Substances Act (21 U.S.C. 801 et seq.) and to - -

1. **APPREHENSION** - Provide additional personnel, equipment, facilities, personnel training, and supplies for more widespread apprehension of persons who violate State and local laws relating to the production, possession, and transfer of controlled substances and to pay operating expenses (including the purchase of evidence and information) incurred as a result of apprehending such persons.

2. **PROSECUTION** - Provide additional personnel, equipment, facilities (including upgraded and additional law enforcement crime laboratories), personnel training, and supplies for more widespread prosecution of persons accused of violating such State and local laws and to pay operating expenses in connection with such prosecution.

3. **ADJUDICATION** - Provide additional personnel (including judges), equipment, personnel training, and supplies for more widespread adjudication of cases involving persons accused of violating such State and local laws, to pay operating expenses in connection with such adjudication, and to provide quickly, temporary facilities in which to conduct adjudications of such cases.

4. **DETENTION AND REHABILITATION** - Provide additional public correctional resources for the detention of persons convicted of violating State and local laws relating to the production, possession, or transfer of controlled substances and to establish and improve treatment and rehabilitative counseling provided to drug dependent persons convicted of violating State and local laws.

5. **ERADICATION** - Conduct programs of eradication aimed at destroying wild or illicit growth of plant species from which controlled substances may be extracted.

6. **TREATMENT** - Provide programs which identify and meet the needs of drug-dependent offenders.

7. **MAJOR DRUG OFFENDERS** - Conduct demonstration programs, in conjunction with local law enforcement officials, in areas in which there is a high incidence of drug abuse and drug trafficking to expedite the prosecution of major drug offenders by providing additional resources, such as investigators and prosecutors, to identify major drug offenders and move these offenders expeditiously through the judicial system.

FORMULA GRANT PROGRAM

FUNDING 80% of the funds allocated in a fiscal year will be distributed under formula grants. Each State will receive a base amount of $500,000 with the balance of funds allocated on a population basis.

STATE OFFICE The chief executive of each participating State must designate a State Office to administer the program. An office or agency performing other functions within the executive branch of a State may be designated as the State Office.

STATEWIDE STRATEGY A statewide strategy must be developed for the enforcement of State and local laws relating to the production, possession, and transfer of controlled substances. This strategy must be prepared after consultation with State and local officials whose duty it is to enforce such laws.

MATCHING FUNDS At least 25% of the total cost of the project must be paid from non-Federal funds. Matching funds must be new funds which would not otherwise available for drug law enforcement.

PASSTHROUGH Local units of government must receive a share of the total State allocation that is equal the ratio of local criminal justice expenditures to total criminal justice expenditures in the State.

ADMINISTRATIVE COSTS Up to 10% of the funds allocated to a State may be used for costs incurred for program administration.

CONSTRUCTION Grant funds may be used for construction of penal and correctional institutions for those convicted of controlled substances offenses.

DISCRETIONARY GRANT PROGRAM

FUNDING 20% of the total allocation is reserved for the Discretionary Grant Program, which will be used to enhance, coordinate and fill gaps in State and local drug control efforts through national and multi-state programs.

ELIGIBILITY Public agencies and private nonprofit organizations

MATCH Grants may be made for 100 percent of the costs of the project.

DEVELOPMENT OF PROGRAM PRIORITIES Input and recommendations are being solicited through mid-December. A program announcement and request for proposals will be published in the Federal Register in January, 1987.

HIGHLIGHTS OF THE JUSTICE DEPARTMENT'S ANNUAL REPORT FOR FY 1987
ON IMPLEMENTATION OF THE STATE AND LOCAL NARCOTICS CONTROL
ASSISTANCE PROGRAM

IMPLEMENTATION OF THE PROGRAM

Implementation of the Anti-Drug Abuse Act of 1986

State and Local Law Enforcement Assistance Act

During the first year of the Anti-Drug Abuse Act of 1986 (Pub. L. 99-570), a firm base on which to build an effective state and local drug control effort was established. The Bureau of Justice Assistance took immediate steps to begin implementation of the State and Local Law Enforcement Assistance Act (Subtitle K). Within two weeks of the signing of the Act on October 27, 1986, the Bureau notified the Governors of the availability of the funds under the Formula Grant Program and sent letters to over 1,500 Federal, state and local criminal justice and governmental agencies, requesting input and recommendations for the Discretionary Grant Program.

Experience from previous programs demonstrated that distributing new funds too quickly, without an assessment of the problems and some planning for the most effective ways to address those problems, can result in a less than optimum use of funds. Therefore, Congress included a provision in the Act requiring the states to develop a statewide drug strategy for the enforcement of state and local drug laws.

To comply with the intent of Congress and the Administration, the Bureau of Justice Assistance prescribed a process for the states to follow in the development of their strategy. The process included a definition of the drug problem, an assessment of current efforts, identification of resource needs and a strategy for addressing the problem.

Administrative funds, which provided the states with the resources needed to develop the strategies, were made available immediately, with the first awards made on January 6, 1987.

The first Formula Grant applications from the states were received in April and awarded in June 1987. Forty-four awards and 83 percent of the Formula Grant funds had been distributed by the end of the first fiscal year after the signing of the Act.

The election of new Governors in a number of states delayed the designation of an office to administer the program and the development of a strategy. Uncertainty regarding the continuation of Federal funding may have also affected the application for and distribution of the funds by the states.

Program priorities for the Discretionary Grant Program, developed with extensive input from Federal, state and local criminal justice practitioners and experts, were designed to assist and supplement state and local drug control efforts. Almost all of the Discretionary Grant Program funds were awarded by the end of the fiscal year.

The Anti-Drug Abuse Act of 1986 was signed into law on October 27, 1986, and the Bureau of Justice Assistance moved quickly to implement the program.

Within ten days of the signing of the Act, the Bureau of Justice Assistance notified the Governors of the program and asked them to designate a state office to administer the program. Draft guidance was developed and distributed to the states for review within 60 days from the signing of the Act.

The Bureau also began to solicit recommendations for Discretionary Grant Programs which would be of greatest assistance to the states in their drug control efforts. The following schedule of events outlines the activities undertaken to implement the program.

DATE	EVENT
Oct 27, 1986	The Anti-Drug Abuse Act of 1986 was signed by President Reagan.
Nov 7, 1986	Letters were sent by the Bureau of Justice Assistance to Governor's notifying them of the State and Local Law Enforcement Assistance Program and requesting that they designate a state office to administer the program.
Nov 10, 1986	Over 1,500 letters were sent by the Bureau to state and local criminal justice and governmental agencies requesting input and recommendations on the Discretionary Grant Program.
Nov 15, 1986	Law Enforcement Coordinating Committees (LECC) associated with the U.S. Attorney's Offices were provided with an information briefing book prepared by the Bureau, regarding the new program and a letter outlining the role they might play in implementation.
Dec 4, 1986	Application Kits for states to use in applying for administrative funds were sent. Administrative funds were immediately made available to the states to assist them with the development of their statewide drug strategy.
Dec 5, 1986	The Department of Justice held a meeting with the Bureau of Justice Assistance, Health and Human Services, Department of Education, Department of Labor and the Bureau of Indian Affairs to coordinate implementation of the Anti-Drug Abuse Act.
Dec 22, 1986	Draft Policy and Administrative Guidance and companion Question and Answer documents were distributed to the states and other interested parties.
Dec 15, 1986	The Drug Enforcement Administration (DEA) assigned a special agent to the Bureau of Justice Assistance to assist with implementation of the program and to coordinate activities between DEA and BJA.
Dec 1986	The states began working on statewide drug strategies.
Jan 6, 1987	The first seven awards of administrative funds were made.
Jan 14, 1987	The BJA Drug Advisory Board met to review recommendations regarding priorities for the Discretionary Grant Program.
Jan 1987	Working groups of drug control experts met to develop priorities for Discretionary Grant Program.
Feb 27, 1987	Proposed priorities for the Discretionary Grant Program were presented to the BJA Drug Advisory Board.
Feb 27, 1987	All states had designated a state office to administer the program. Delay in many states was due to a change in Governors.
Mar 1987	Regional Program Briefings, designed to assist the states with their drug strategy and program development, were held in Washington, Chicago and San Francisco.
Mar 19, 1987	Discretionary Grant priorities and requests for proposals were announced in the *Federal Register*.

DATE	EVENT
Apr 1987	States began to submit applications for Formula Grant funds.
May 1987	Most applications for Discretionary Grant funds were due.
June 1987	Initial awards of Formula Grant funds were made to the states.
June 1987	First awards of Discretionary Grant Program funds were made.
July 1987	States began making awards to state and local units of government.
Sept 30, 1987	Almost all ($44,040,476, or 99.9%) Discretionary Grant Program funds had been awarded and 44 Formula Grant awards, representing 83 percent of the funds, had been made.

The change in Governors in many states delayed the implementation of the Anti-Drug Abuse Act.

Some states with newly-elected Governors required more time to develop a statewide drug strategy and submit an application for Formula Grant funds. New Governors in most states did not take office until December or January, delaying the designation and/or staffing of the state office to administer the program. The following table shows the schedule of submission of applications by the states.

	NO CHANGE	NEW GOV	TOTAL
April	2		2
May	3		3
June	1	5	6
July	10	4	14
August	6	10	16
September	4	4	8
October or later	5	2	7

The Bureau of Justice Assistance and the states effectively balanced the desire to get the funds to the "streets" quickly with the need to plan for their effective use.

It is very difficult to achieve the proper balance between distributing the funds quickly and distributing them responsibly. As discussed throughout this report, many state and local criminal justice agencies had not been actively involved in drug control.

For example, only a small percent of the law enforcement agencies had drug enforcement units. Because there was not a coordinated existing drug control strategy in many states and there were few established programs within criminal justice agencies, strategy and program development was required to ensure the effective use of the funds.

The Bureau of Justice Assistance made the administrative funds immediately available to the states to assist them in development of a strategy. In general, information on the drug problem and current drug control efforts was not readily available.

Most states surveyed state and local agencies and/or held public hearings to gather information on the drug problem and the needs of those agencies to address the problem. Most states also created an advisory board with representatives from state and local units of government to assist in the development of the strategy and the establishment of priorities for funding.

The Bureau of Justice Assistance reviewed the state strategies and made awards very quickly. The average time from receipt of an application to approval of an award was 37 days. Because of the great demand for the Federal funds, many states used a competitive grant process to make awards for state and local projects.

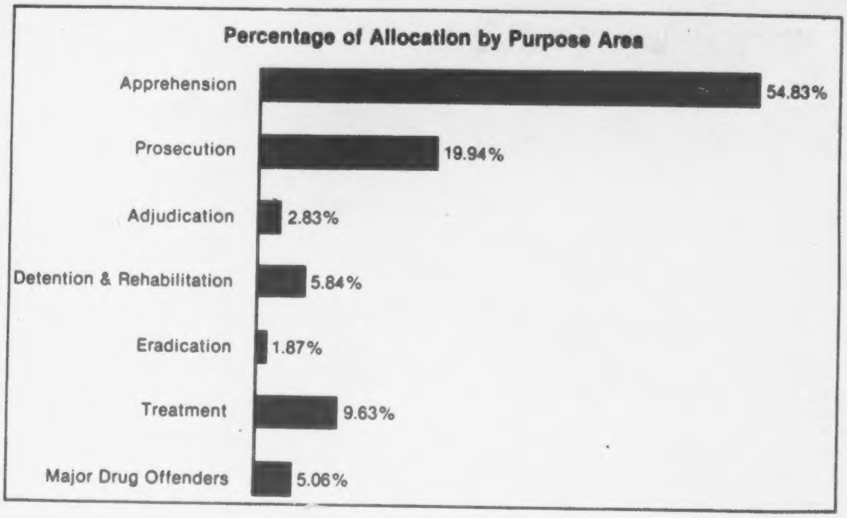
A competitive process requires the distribution of a request for proposals. Prospective grantees must be allowed sufficient time to prepare an application. All applications must then be reviewed and rated prior to the making of awards. It is not unusual for this process to take from four to six months.

The strategies from the states indicated that the drug problems are generally more severe in the large cities. However, severity of the problem is only one of several considerations in the funding of a project. Other factors considered by most states are current efforts and resources and the expected impact and success of the proposed project.

Appendix A

Anti-Drug Abuse Enforcement Formula Grant Program

The states have allocated over 1/2 of their Anti-Drug Abuse Enforcement Formula Grant funds for programs which enhance the capability of state and local law enforcement agencies to apprehend drug offenders.



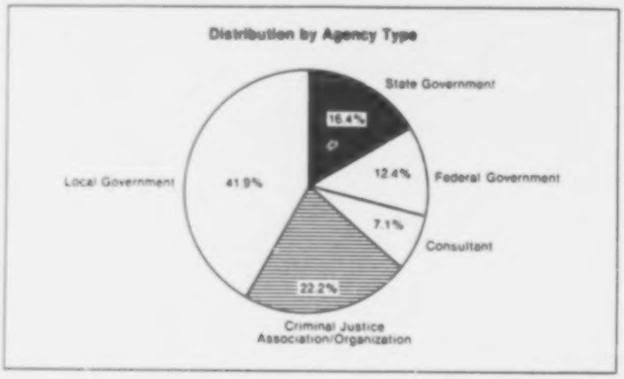
Drug Law Enforcement Program State by State Allocation of Funds

State	FY 1987	FY 1988	Percentage to be Passed through to Local Jurisdiction
Alabama	2,996,000	957,000	48.72%
Alaska	823,000	560,000	14.54
Arizona	2,478,000	874,000	64.04
Arkansas	1,964,000	768,000	53.47
California	16,866,000	3,544,000	66.87
Colorado	2,506,000	869,000	64.83
Connecticut	2,470,000	860,000	45.13
Delaware	886,000	571,000	25.66
District of Columbia	889,000	571,000	100.00
Florida	7,555,000	1,817,000	62.85
Georgia	4,210,000	1,189,000	56.92
Hawaii	1,154,000	620,000	48.50
Idaho	1,124,000	613,000	61.59
Illinois	7,660,000	1,803,000	65.32
Indiana	3,913,000	1,121,000	58.48
Iowa	2,290,000	822,000	54.77
Kansas	2,021,000	778,000	54.73
Kentucky	2,813,000	921,000	31.84
Louisiana	3,282,000	1,008,000	53.52
Maine	1,222,000	632,000	45.77
Maryland	3,226,000	1,004,000	41.24
Massachusetts	4,114,000	1,158,000	43.37
Michigan	6,141,000	1,532,000	60.67
Minnesota	3,103,000	975,000	67.32
Mississippi	2,122,000	796,000	50.92
Missouri	3,622,000	1,072,000	64.00
Montana	1,013,000	592,000	55.39
Nebraska	1,497,000	680,000	58.75
Nevada	1,081,000	609,000	72.43
New Hampshire	1,119,000	616,000	51.05
New Jersey	5,194,000	1,360,000	60.74
New Mexico	1,400,000	667,000	41.33
New York	11,539,000	2,505,000	61.73
North Carolina	4,383,000	1,214,000	42.50
North Dakota	925,000	577,000	64.81
Ohio	7,169,000	1,713,000	70.25
Oklahoma	2,549,000	873,000	46.88
Oregon	2,168,000	804,000	50.86
Pennsylvania	7,858,000	1,841,000	69.41
Rhode Island	1,101,000	610,000	44.95
South Carolina	2,578,000	881,000	41.91
South Dakota	939,000	580,000	50.62
Tennessee	3,456,000	1,042,000	59.39
Texas	10,662,000	2,382,000	67.87
Utah	1,521,000	688,000	50.05
Vermont	832,000	561,000	23.14
Virginia	4,042,000	1,153,000	31.96
Washington	3,237,000	1,003,000	56.37
West Virginia	1,702,000	716,000	49.21
Wisconsin	3,464,000	1,040,000	64.90
Wyoming	816,000	557,000	57.68
Puerto Rico	2,530,000	869,000	N/A
Virgin Islands	567,000	512,000	N/A
American Samoa	522,000	504,000	N/A
Guam	574,000	514,000	N/A
Northern Mariana Islands	512,000	502,000	N/A
Total	178,400,000	55,600,000	

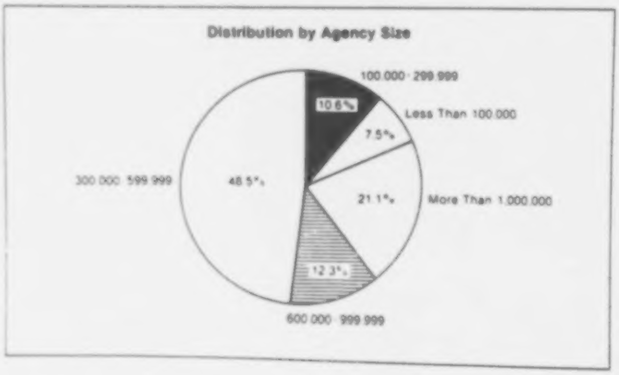
Appendix B

Anti-Drug Abuse Enforcement Discretionary Program

Almost 2/3 of the Anti-Drug Abuse Enforcement Discretionary funds were awarded directly to state and local units of government to enhance their drug control efforts. The balance of the funds were used on a national basis to provide technical assistance and training to state and local criminal justice agencies.



Approximately 80 percent of the Discretionary funds awarded to units of local government were awarded to jurisdictions with populations over 300,000 to address the drug problems which are generally more severe in the urban areas.



Allocation of Anti-Drug Abuse Discretionary Grant Funds

PROGRAM	SITE/SCOPE	AMOUNT	PAGE # OF DESCRIPTION
Enforcement Programs			
Crack/Focused Substance Enforcement	Los Angeles, CA	$ 299,250	39
	Minneapolis, MN	300,000	
	Houston, TX	300,000	
	Denver, CO	300,000	
	Detroit, MI	300,000	
Street Sales Enforcement	Orlando, FL	359,903	40
	San Antonio, TX	394,500	
	New Orleans, LA	418,476	
	Seattle, WA	356,753	
	Oakland, CA	299,826	
	Birmingham, AL	180,200	
	Long Beach, CA	399,590	
Organized Crime/Narcotics Trafficking Technical Assistance & Programs	Institute for Intergovernmental Research	500,000	37
	Multnomah County, OR	373,283	
	Salt Lake City, UT	80,000	
	Broward County, FL	353,880	
	Kansas City, MO	113,650	
	New York City, NY	600,000	
	Baton Rouge, LA	250,000	
	Phoenix, AZ	500,000	
	Riverside, CA	250,000	
	Trenton, NJ	577,409	
	Las Vegas, NV	481,406	
	Boston, MA	600,000	
	Pima County, AZ	250,000	
	Portland, ME	250,000	
	Dallas, TX	250,000	
	Albuquerque, NM	170,000	
	Cleveland, OH	250,000	
	Decatur, GA	349,556	
	(Sites to be selected)	975,816	
	(Denver, CO; Oklahoma City, OK; and Harrison Co, MS (Biloxi) are participating in program with Justice Assistance Act funds.)		
Technical Assistance and Training for State and Local Enforcement Programs	Institute for Law and Justice/**National**	1,494,101	45
Asset Seizure/Forfeiture Technical Assistance and Training	Police Executive Research Forum/**National**	1,025,000	60
	(4 Sites to be Selected)	600,000	
Roundtable/Financial Investigation	National Criminal Justice Association/**National**	24,917	45
BJA/FBI Financial Investigation Training	Federal Bureau of Investigation/**National**	1,770,000	45

PROGRAM	SITE/SCOPE	AMOUNT	PAGE # OF DESCRIPTION
Statewide Drug Prosecution Technical Assistance and Programs	Institute for Intergovernmental Research	— 249,876	54
	Florida	437,500	
	Alabama	437,500	
	Utah	427,612	
	Pennsylvania	437,500	
Problem-Oriented Approach to Drug Enforcement	Police Executive Research Forum/**National**	400,678	44
	(4 Sites to be Selected by 2-1-88)	800,000	
Pharmaceutical Diversion	Massachusetts	299,895	48
	Columbus, OH	167,274	
	Virginia	299,975	
	Connecticut	300,057	
	Nebraska	300,000	
Prosecution/Adjudication Programs			
Innovative Community Drug Offender Prosecution	National District Attorneys Association/**National**	1,500,000	54
Study and Analysis of State RICO Statutes and Their Applicability in Drug Prosecution	National Association of Attorneys General/**National**	50,000	60
Technical Assistance and Training for Juvenile Court Judges	National Center for Juvenile and Family Court Judges/**National**	150,000	45
Technical Assistance for Adjudication Programs	EMT Group/National	750,000	45
Comprehensive Drug Adjudication	Pretrial Services Resource Center/**National**	799,379	65
	(Sites to be Selected by 3-31-88)	5,200,000	
Large Court Capacity	National Center for State Courts/**National**	1,805,000	65
Differentiated Case Management	EMT Group/**National**	400,000	65
	(Sites to be Selected by 3-31-88)	500,000	
Corrections/Rehabilitation Programs			
Probation and Parole Narcotics Interdiction National Training	American Corrections Association	299,460	78
Intensive Supervision for Drug Offenders	National Center for Crime and Delinquency	159,207	77

PROGRAM	SITE/SCOPE	AMOUNT	PAGE # OF DESCRIPTION
Technical Assistance and Programs	Washington	150,000	
	Iowa	150,000	
	New Mexico	150,000	
	Georgia	150,000	
Comprehensive State Department of Corrections Treatment Strategy Technical Assistance and Programs	Narcotics and Drug Research, Inc.	427,237	71
	Delaware	463,230	
	Florida	521,634	
	New Mexico	482,579	
	Connecticut	119,747	
	Alabama	100,000	
	New York	85,128	
Model State Prison Drug Rehabilitation	American Corrections Association	114,134	72
	Florida	400,000	
Technical Assistance to Correctional Agencies	Correctional Research Institute	349,993	
Drug Treatment for State Correctional Institutions	Iowa	150,000	72
	Ohio	150,000	
	New Mexico	150,000	
	North Carolina	150,000	
	Montana	150,000	
	Wisconsin	150,000	
Drug Treatment in the Jail Setting Technical Assistance and Programs	American Jail Association	290,793	73
	Pima Co., AZ	300,000	
	Hillsboro Co., FL	300,000	
Information Systems/Special Programs			
Drug Data Clearinghouse	Bureau of Justice Statistics/**National**	1,365,854	102
Drug Use Forecasting	National Institute of Justice		80
	Houston-Galveston, Texas	58,531	
	San Diego, California	51,690	
	Broward County, Florida	4,844	
	Orleans Parish, Louisiana	36,980	
	Phoenix, Arizona	77,600	
	New York City, New York	91,054	
	Ft. Lauderdale, Florida	37,240	
	Chicago, Illinois	43,892	
	D.C. Pretrial Services	37,740	
	Miami, Florida	37,240	
	Portland, Oregon	75,012	
	Indianapolis, Indiana	32,480	
	Wayne State University, Michigan	7,040	

PROGRAM	SITE/SCOPE	AMOUNT	PAGE # OF DESCRIPTION
Drug Testing For Juvenile Arrestees	National Institute of Justice/**National**	600,000	81
Drug Testing Technologies Evaluation	National Institute of Justice/**National**	225,000	81
Baseline Management/ Assessment Data for TASC Programs	National Consortium of TASC Programs/**National**	99,813	77
Criminal History/TASC Linkages	SEARCH Group, Inc./ **National**	299,764	77
Drug Detection Technology/ Focused Offender Disposition Program	National Association of State Alcohol and Drug Abuse Directors/**National** (3-7 Sites to be selected)	498,566 1,500,000	81
Drug-Related Program Development Assistance and Training	National Association of State Alcohol and Drug Abuse Directors/**National**	500,000	76
Criminal Justice Model Treatment Programs Documentation	National Criminal Justice Association/ **National**	487,283	76
State Strategies Evaluation Development Technical Assistance and Training	Criminal Justice Statistics Association/ **National**	249,949	88

FISCAL YEAR 1987
JUSTICE ASSISTANCE/DRUG CONTROL BLOCK-FORMULA GRANT
RECAP

	JUSTICE ASSISTANCE			DRUG LAW ENFORCEMENT -Admin-			-FULL Program-			TOTAL
	REC'D	SIGNED	AMOUNT	REC'D	SIGNED	AMOUNT	REC'D	SIGNED	AMOUNT	DRUG
ALABAMA	2/6	2/27	615,000	12/8/86	1/2	299,600	7/13	10/29	2,696,400	2,996,000
ALASKA	8/10	8/28	297,000	05/5	7/7	82,300	9/17	9/28	740,700	823,000
ARIZONA	2/17	3/26	540,000	04/29	5/13	247,800	8/3	9/9	2,230,200	2,478,000
ARKANSAS	2/9	3/2	464,000	08/19	9/3	64,000	4/22/88	5/22/8	1,900,000	1,964,000
CALIFORNIA	7/2	8/6	2,646,000	02/16	3/13	1,686,600	8/4	9/24	15,179,400	16,866,000
COLORADO	2/10	4/2	544,000	02/19	3/26	250,600	6/11	7/14	2,255,400	2,506,000
CONNECTICUT	4/22	5/18	538,000	02/09	3/09	100,000	5/20	7/17	2,370,000	2,470,000
DELAWARE	8/05	8/31	307,000	03/10	3/27	88,600	8/3	9/22	797,400	886,000
* DIST. OF COLUMBIA	2/10	4/2	307,000	12/5	1/2	88,900	6/25	9/22	800,100	889,000
* FLORIDA	2/10	4/2	1,283,000	02/10	2/26	285,014	8/20	10/29	7,269,986	7,555,000
GEORGIA	2/11	4/2	793,000	01/23	2/18	421,000	8/5	9/25	3,789,000	4,210,000
HAWAII	7/6	8/4	346,000	04/20	5/13	115,400	10/23	11/09	1,038,600	1,154,000
IDAHO	4/22	5/13	341,000	12/5	1/2	112,400	8/18	9/10	1,011,600	1,124,000
ILLINOIS	1/14	2/17	1,298,000	11/24	1/2	536,000	4/13	6/3	7,124,000	7,660,000
INDIANA	9/22	9/28	750,000	01/06	2/2	391,300	9/25	9/30	3,521,700	3,913,000
IOWA	8/10	8/20	512,000	12/04	1/2	229,000	7/14	8/11	2,061,000	2,290,000
KANSAS	4/16	5/15	473,000	02/24	4/8	202,100	8/24	9/18	1,818,900	2,021,000
KENTUCKY	2/10	3/09	589,000	12/04	1/2	281,300	7/24	8/12	2,531,700	2,813,000
LOUISIANA	2/09	3/09	657,000	03/23	4/14	328,200	12/28	2/1/88	2,953,800	3,282,000
* MAINE	4/16	5/13	356,000	04/08	5/1	122,200	8/25	10/30	1,099,800	1,222,000
MARYLAND	8/10	9/28	649,000	02/02	3/25	322,600	8/21	9/30	2,903,400	3,226,000
MASSACHUSETTS	10/2	10/30	779,000	02/17	3/24	411,400	9/8	9/29	3,702,600	4,114,000
MICHIGAN	4/13	5/13	1,076,000	01/23	2/11	160,000	4/17	6/4	5,981,000	6,141,000
MINNESOTA	6/15	6/29	631,000	01/23	2/25	310,300	6/8	7/20	2,792,700	3,103,000
MISSISSIPPI	2/17	3/23	488,000	12/16	2/2	212,200	7/31	8/31	1,909,800	2,122,000
MISSOURI	2/3	3/9	707,000	01/28	2/17	280,177	7/6	7/29	3,341,823	3,622,000
MONTANA	1/13	3/25	325,000	12/30	2/11	101,300	5/11	6/24	911,700	1,013,000
NEBRASKA	4/2	5/6	396,000	12/09	2/3	149,700	7/28	8/28	1,347,300	1,497,000
NEVADA	1/21	3/27	335,000	01/28	3/9	36,000	8/31	9/28	1,045,000	1,081,000
* NEW HAMPSHIRE	1/30	3/16	341,000	12/4	2/3	111,900	5/4	8/6	1,007,100	1,119,000
NEW JERSEY	12/19/86	2/26	937,000	03/10	4/14	480,000	9/30	11/13	4,714,000	5,194,000
NEW MEXICO	6/26	8/4	382,000	04/3	4/9	140,000	3/18/88	4/28/8	1,260,000	1,400,000
NEW YORK	2/19	4/8	1,866,000	12/9	2/5	1,153,900	7/31	9/24	10,385,100	11,539,000
NORTH CAROLINA	3/16	4/8	818,000	12/18/86	1/2	438,300	7/20	8/18	3,944,700	4,383,000
NORTH DAKOTA	1/13	3/27	312,000	02/19	4/2	32,375	9/18	9/30	892,625	925,000
OHIO	1/28	2/26	1,226,000	11/14/86	1/2	716,900	6/11	7/29	6,452,100	7,169,000
OKLAHOMA	3/25	4/9	550,000	11/18/86	1/27	254,900	8/28	9/22	2,294,100	2,549,000
OREGON	7/28	8/18	494,000	06/08	6/19	216,800	9/18	9/30	1,951,200	2,168,000
PENNSYLVANIA	2/11	4/9	1,327,000	01/13	2/17	785,800	6/22	8/18	7,072,200	7,858,000
RHODE ISLAND	5/28	6/18	338,000	01/13	3/2	110,100	10/20	11/13	990,900	1,101,000
SOUTH CAROLINA	2/10	4/14	554,000	02/09	3/25	257,800	8/31	10/29	2,320,200	2,578,000
SOUTH DAKOTA	7/1	8/4	314,000	06/08	6/19	93,900	7/29	9/4	845,100	939,000
TENNESSEE	9/22	9/30	683,000	02/17	3/12	345,600	8/18	9/10	3,110,400	3,456,000
TEXAS	4/27	6/15	1,738,000	02/10	3/26	1,066,200	7/31	8/18	9,595,800	10,662,000
UTAH	3/11	4/23	400,000	04/03	4/23	152,100	7/27	8/6	1,368,900	1,521,000
VERMONT	2/10	4/08	299,000	- - - -	- - - -	- - - -	8/18	9/30	832,000	832,000
VIRGINIA	4/22	5/18	769,000	12/18/86	2/2	404,200	6/19	7/29	3,637,800	4,042,000
WASHINGTON	5/29	8/4	651,000	01/7	2/4	323,700	7/13	8/7	2,913,300	3,237,000
WEST VIRGINIA	9/10	9/22	426,000	12/1/86	1/27	170,200	12/10	12/23	1,531,800	1,702,000
WISCONSIN	10/20/86	11/21	684,000	01/13	2/3	225,160	9/21	9/25	3,238,840	3,464,000
WYOMING	8/28	9/22	296,000	05/13	6/8	81,600	8/28	9/22	734,400	816,000
PUERTO RICO	9/2	10/30	547,000	04/15	5/13	181,667	11/6	12/23	2,348,333	2,530,000
AMERICAN SAMOA	12/29	2/22/88	87,780	03/12	4/3	52,200	7/30	9/8	469,800	522,000
GUAM	8/4	9/4	133,000	04/14	5/5	57,400	8/20	9/17	516,600	574,000
No.Marianas	7/28	8/28	45,220	12/15/86	2/25	51,200	7/27	8/28	460,800	512,000
VIRGIN ISLANDS	2/27	4/2	260,000	12/23/86	2/3	56,700	9/17	9/30	510,300	567,000

* More than 60 days between drug program application receipt and approval. These applications determined to be incomplete and additional time required for additional materials to be submitted hv state and reviewed bv BJA.

STATUS OF LAW ENFORCEMENT FORMULA GRANT - FY 1987

STATE	DATE APPLICATION APPROVED	AMOUNT OF AWARD	AMOUNT OF DRAW DOWNS AS OF 4/30/88	PERCENT OF AWARDS DRAWN DOWN
ALABAMA	10/29/87	$2,996,000	$53,671	1.79%
ALASKA	09/28/87	823,000	0	0.00%
AMERICAN SAMOA	09/08/87	522,000	173,023	33.15%
ARIZONA	09/09/87	2,478,000	429,500	17.33%
ARKANSAS	a_/	64,000 a_/	18,660	a_/
CALIFORNIA	09/24/87	16,866,000	1,317,358	7.81%
COLORADO	07/14/87	2,506,000	601,000	23.98%
CONNECTICUT	07/17/87	2,470,000	1,509,638	61.12%
DELAWARE	09/22/87	886,000	296,000	33.41%
DISTRICT OF COLUMBIA	09/22/87	889,000	41,203	4.63%
FLORIDA	10/29/87	7,555,000	381,944	5.06%
GEORGIA	09/25/87	4,210,000	179,281	4.26%
GUAM	09/17/87	574,000	6,998	1.22%
HAWAII	11/09/87	1,154,000	44,000	3.81%
IDAHO	09/10/87	1,124,000	316,000	28.11%
ILLINOIS	06/03/87	7,660,000	1,277,997	16.68%
INDIANA	09/30/87	3,913,000	1,098,217	28.07%
IOWA	08/11/87	2,290,000	481,001	21.00%
KANSAS	09/18/87	2,021,000	269,636	13.34%
KENTUCKY	08/12/87	2,813,000	706,561	25.12%
LOUISIANA	02/04/88	3,282,000	113,837	3.47%
MAINE	10/30/87	1,222,000	41,000	3.36%
MARYLAND	09/30/87	3,226,000	150,561	4.67%
MASSACHUSETTS	09/29/87	4,114,000	703,200	17.09%
MICHIGAN	06/04/87	6,141,000	367,609	5.99%
MINNESOTA	07/20/87	3,103,000	1,521,000	49.02%
MISSISSIPPI	08/31/87	2,122,000	305,636	14.40%
MISSOURI	07/29/87	3,622,000	1,157,367	31.95%
MONTANA	06/24/87	1,013,000	790,610	78.05%
NEBRASKA	08/28/87	1,497,000	185,000	12.36%
NEVADA	09/28/87	1,081,000	158,301	14.64%
NEW HAMPSHIRE	08/06/87	1,119,000	198,734	17.76%
NEW JERSEY	11/13/87	5,194,000	5,276	0.10%
NEW MEXICO	04/28/88	1,400,000	30,000	2.14%
NEW YORK	09/24/87	11,539,000	2,605,000	22.58%
NORTH CAROLINA	08/18/87	4,383,000	768,000	17.52%
NORTH DAKOTA	09/30/87	925,000	24,717	2.67%
NORTHERN MARIANA I.	08/28/87	512,000	99,875	19.51%
OHIO	07/29/87	7,169,000	2,037,200	28.42%
OKLAHOMA	09/22/87	2,549,000	488,718	19.17%
OREGON	09/30/87	2,168,000	332,269	15.33%

STATUS OF LAW ENFORCEMENT FORMULA GRANT - FY 1987

STATE	DATE APPLICATION APPROVED	AMOUNT OF AWARD	AMOUNT OF DRAW DOWNS AS OF 4/30/88	PERCENT OF AWARDS DRAWN DOWN
PENNSYLVANIA	08/18/87	$7,858,000	$1,432,182	18.23%
PUERTO RICO	12/23/87	2,530,000	0	0.00%
RHODE ISLAND	11/13/87	1,101,000	35,000	3.18%
SOUTH CAROLINA	10/29/87	2,578,000	226,609	8.79%
SOUTH DAKOTA	09/04/87	939,000	93,900	10.00%
TENNESSEE	09/10/87	3,456,000	1,024,912	29.66%
TEXAS	08/18/87	10,662,000	1,509,234	14.16%
UTAH	08/06/87	1,521,000	92,594	6.09%
VERMONT	09/30/87	832,000	31,223	3.75%
VIRGIN ISLANDS	09/30/87	567,000	16,908	2.98%
VIRGINIA	07/29/87	4,042,000	453,776	11.23%
WASHINGTON	08/07/87	3,237,000	692,510	21.39%
WEST VIRGINIA	12/23/87	1,702,000	70,344	4.13%
WISCONSIN	09/25/87	3,464,000	180,136	5.20%
WYOMING	09/22/87	816,000	149,181	18.28%
TOTALS		$176,500,000	$27,294,107	
AVERAGE PERCENT OF AWARDS DRAWN DOWN				15.46%
RANGE OF AWARDS DRAWN DOWN				0 - 78.05%

a_/ The funds awarded represent only the administrative portion of the grant. The application for $1,900,000 was pending approval as of 5/13/88.

5/23/88
(as of)

FY - 1988
DRUG LAW ENFORCEMENT
FORMULA GRANT PROGRAM

$55,600,000
(available)

18 Applications Recd 12 Awards Signd $12,991,000 Awarded

STATE	RECD	AMOUNT	STATUS	SIGNED OFF
Alabama				
Alaska				
Arizona				
Arknsas	4/22	768,000	AWARDED	5/18/88
Calfrnia				
Colorado				
Conn				
Delawre				
D. C.				
Florida				
Georgia				
Hawaii				
Idaho !	4/27++	613,000	PDMD 5/23	
Illinois				
Indiana				
Iowa				
Kansas				
Kentucky				
Louisiana	5/2++	1,008,000	PDMD 5/18	
Maine				
Maryland				
Maachst				
Michigan	3/28	1,532,000	AWARDED	5/18/88
Minnsota				
Mississip				
Missouri	4/11	1,072,000	AWARDED	5/9/88
Montana	4/12	592,000	AWARDED	4/28/88
Nebrska				
Nevada	2/11	609,000	AWARDED	3/21/88
N. Hamp	3/4	616,000	AWARDED	3/28/88
N. Jersey				
N. Mexico				
N. York				
N. C.	4/14	1,214,000	AWARDED	5/18/88
N. Dakota				
Ohio	3/10	1,713,000	AWARDED	4/5/88
Oklahoma !	3/15	873,000	AWARDED	5/23/88
Oregon				

STATE		RECD	AMOUNT	STATUS	SIGNED OFF
Penn.					
Purto Rico					
R. I.					
S. C.		5/4++	881,000	undr revw	
S. D.	!	3/23	580,000	AWARDED	5/23/88
Tenn.					
Texas		2/22	2,382,000	AWARDED	4/5/88
Utah					
Vermont					
Virgn Ile	!	4/28++	512,000	PDMD 5/23	
Virgnia					
Washngtn					
W. V.	!	5/9++	716,000	PDMD 5/23	
Wiscnsn		2/2	1,040,000	AWARDED	3/3/88
Wyomng	!	5/2++	557,000	PDMD 5/23	
Am Samoa					
Guam					
NMarians					

NOTE:- PDMD means BJA reviews compltd - in OC certification process
++ means application not complete (but reviews continuing)
! means STATUS change since last report

Of the 56 offices designated to administer the drug law enforcement formula grant program, 46 are the same office that has been designated to administer the Justice Assistance block grant program. The ten states that have separate designated state offices are:-

	DLE	JAA
Arizona	Crim Just Commisn	Dept Pub Safety
Iowa	Dept Pub Health	Dept of Mngmnt
Kansas	Office of Admin	Atty Genl
Maine	Dept Pub Safety	Justice Asstnce Councl
Maryland	Offce Just Asstnce	Dept Pub Safty & Corrctnal Svcs
New Jersey	Atty Genl	Planning Agncy
South Dakota	Atty Genl	Dept Commerce & Regulations
Tennessee	Planning Office	Dept Corrctns
Vermont	Dept Pub Safety	Dept Human Svcs
Wyoming	Div Crim Invest	Div Community Progs

Select Committee edited highlights of the:

ANNUAL REPORT:
DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND
FISCAL YEAR 1986

Prepared by the
United States Marshals Service
United States Department of Justice

Purpose of the Fund. The primary purpose of the Department of Justice Assets Forfeiture Fund (the Fund) is to ensure an adequate and appropriate source of funding for seizure- and forfeiture-related expenses. These expenses would otherwise be paid by seizing agencies out of budgets funded by taxpayer dollars. The Fund puts drug dealers' money to work for the taxpayer.

Authorization. The Fund was authorized on October 12, 1984, and became operational after approval of the Supplemental Appropriation Act of 1985 (P.L. 99-88) on August 15, 1985. The first annual report, reflecting financial activity for a small part of Fiscal Year 1985, was submitted to the Congress on February 6, 1986.

Appropriation limitations. In addition to limitations on types of expenses payable from the Fund contained in the initial authorizing legislation, spending limitations are also imposed by appropriation legislation.

Receipts. Receipts for fiscal year 1986, the first full year the Fund was in operation, totalled more than $93 million. Added to the $5 million carried forward from fiscal year 1985, as provided for at 28 U.S.C. 524(c)(8), a total of $98.7 million was available for obligation.

Expenditures. Expenditures totalled $42.8 million, leaving a year-end balance of $55.9 million. At the end of the fiscal year, $50.9 million was transferred to the Treasury and $5 million carried forward to fiscal year 1987.

- **Almost one of every five dollars in income to the Fund is returned to a State or local law enforcement agency whose work contributed to the forfeiture proceeds.**

IMPORTANCE OF THE FUND TO THE DEPARTMENT OF JUSTICE **The Justice Assets Forfeiture Fund has had an extremely positive impact on the Department's forfeiture efforts.**

Asset forfeitures are a powerful weapon in the war on criminal organizations, since forfeiture deprives criminal organizations of their lifeblood -- illegal profits and proceeds.

These forfeited profits and proceeds are now deposited to the Assets Forfeiture Fund, and have become the lifeblood of the Department's war against criminal organizations.

II. SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
BACKGROUND INFORMATION ON
FEDERAL TREATMENT AND PREVENTION INITIATIVES

SCOPE OF THE PROBLEM

The Select Committee has received estimates that 6 to 6.5 million Americans are in the need of drug abuse treatment. There are approximately 1.1 to 1.3 million intravenous drug abusers. Available information indicates that there are currently 250,000 treatment slots. Of these slots 148,000 are for intravenous drug abusers. Clearly, a disparity exists between the need for treatment and the availability of treatment services.

Waiting lists are an indicator of the problem. Long waiting lists have become common in many areas. There is, however, no measure of those who are discouraged from even applying for treatment and who are not indicated on the waiting lists.

Moreover, we can expect the need for treatment to continue, in light of reported patterns of drug usage. The 1985 National Household Survey of Americans age 12 and above, conducted by the National Institute on Drug Abuse (NIDA), indicates that 70.4 million or 37 percent of that population have tried marijuana, cocaine, or other illicit drugs at least once in their lifetime. Among employed 20-40 year olds, 29 percent reported use of an illicit drug in the past year.

The 1987 annual survey of high school students, conducted by the University of Michigan for NIDA, reported that approximately 57 percent of high school seniors had used illicit drugs. Most disturbing in the senior survey was the finding that cocaine use remained significant and the level of crack use was uncertain.

FEDERAL FUNDING FOR DRUG ABUSE TREATMENT AND PREVENTION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION
($ IN MILLIONS)

	1987	1988	1989 (President's Request)
Treatment Grants to States			
ADMS Block Grant	508.860	487.3	509
Emergency Substance Abuse Treatment (ADTR) Block Grant	162.855	155.917	166
(45 percent population)	(73.285)	(70.163)	
(55 percent need)	(89.570)	(85.754)	
Office of Substance Abuse Prevention	54.254	34.198	34.264
(High Risk Youth Demonstration Projects)	(24)	(23)	(19.6)
(Clearinghouse)	(1.8) (.5 transferred from the Department of Education)	(1.2)	(2.3)

Treatment

From 1980 to 1986, Federal support for drug abuse services declined by approximately 40 percent. This decline, coupled with rising drug abuse and increased demand for treatment services, created an enormous strain on the public treatment system operated by States.

Since 1981, the primary mechanism for Federal support to State drug abuse service efforts has been the Alcohol, Drug Abuse and Mental Health Services (ADMS) Block Grant (Part B). This block grant combined former categorical programs for these three disabilities.

In 1986, $495 million was initially appropriated for the ADMS Block Grant for fiscal year 1987. In the Anti-Drug Abuse Act of 1986, Congress added a $14 million increment to the ADMS Block Grant for 1987. Thus, the total ADMS appropriation of 1986 was approximately $509 million.

The Anti-Drug Abuse Act of 1986 also authorized a new Emergency Substance Abuse Treatment and Rehabilitation (ADTR) Block Grant (Part C) to expand drug and alcohol abuse services by the States. According to the law, 45 percent of the new Part C Block Grant is allocated to the States on the basis of population. Fifty-five (55) percent is allotted to the States on the basis of need.

For Fiscal year 1987, $162,855,000 was available for the total ADTR program. This amounted to $73,285,000 for the population portion, although no State was to receive less than $50,000, and $89,570,000 for the needs-based portion.

The law required that Fiscal year 1987 allotments and payments for the 45 percent population-based share of the grant be made at the same time as the allotments and payments for the exiting Part B ADMS Block Grant program. The first award for fiscal year 1987 was made on December 12, 1986 and the last award was made on October 1, 1987.

The distribution of the funds for the 55 percent component was delayed, because criteria for the determination of State need had to be developed by the Secretary of the Department of Health and Human Services (DHHS). The original formula proposed by the Secretary in late January 1987 considered State population (between 14 and 44 years of age), the number of treatment admissions to publicly funded alcohol and drug treatment programs, the total level of State funding for such programs, and State per-capita income.

Several States criticized the factors selected to determine need and the way in which these factors were used in the formula. Some States recommended new factors be included, such as waiting lists, the number of AIDS/IV drug abusers, drug arrests, or "cocaine admissions". Other States expressed concern with the use of the inverse of State funding for alcohol and drug abuse treatment as a measure of the State's "ability" to provide services. They felt this penalized those States that had contributed substantial amounts of their own resources to meet their substance abuse needs. DHHS determined that the original formula generally employed the most accurate and equitable data available, but in order to neither penalize nor reward States that had committed relatively more funds to the treatment of alcohol and drug abuse in the past, ADAMHA decided to eliminate the State funding variable from the formula.

Applications for funding for the 55 percent proportion for 1987 were sent to the States on March 4, 1987. Awards were made between April 20 and October 1, 1987.

As of May 4, 1988, 44 percent of the 1987 ADTR funds had been drawn down by the States (Draw down refers to actual transfer of funds from the Federal system to the State system to allow for the payment of a voucher or bill on hand or expected to be received within three days). Most of the larger States were quick to draw down their funds. The small States tended to move more slowly, exhausting State funds first and then drawing down the Federal funds.

For Fiscal year 1988, $487.3 million was appropriated under the ADMS block grant and $155.9 million under the ADTR grant. State applications for these funds are currently being processed.

The invitations to States to apply for 1988 ADMS block grant funds were sent out on September 4, 1987. Fifty-nine States and territories have applied and 56 were awarded their grants between January 5, 1988 and April 4, 1988.

The invitations to States to apply for ADTR funds were sent out on February 26, 1988. Nineteen States and territories have applied for these funds. The first award was made on April 11, 1988, and a total of 17 awards have been made to date.

Prevention .

The focus of this hearing is on the treatment grants summarized above. Other programs authorized in the 1986 Act that ADAMHA administers are outlined briefly below.

Office for Substance Abuse Prevention (OSAP)

The new Office for Substance Abuse Prevention was created by the Anti-Drug Abuse Act of 1986 to provide higher visibility and funding to Federal drug and alcohol abuse prevention efforts. The activities of the Office include: sponsoring regional prevention workshops; coordinating research findings; developing and disseminating effective prevention materials; supporting clinical training; creating radio and TV public service announcements on drug abuse prevention; supporting the development of model community-based prevention programs; and conducting training, technical assistance, data collection and evaluation.

The total OSAP budget in fiscal year 1987 was $54.254 million. In 1988, $34.198 million was appropriated, after the President's Budget proposed only $11.3 million. The Fiscal year 1989 Presidential budget request is $34.264 million.

Clearinghouse. OSAP was mandated to administer a new clearinghouse for drug and alcohol abuse information by the Anti-Drug Abuse Act. This new clearinghouse combined and expanded the separate drug and alcohol clearinghouses previously maintained by NIDA and NIAAA, respectively. The function of the OSAP clearinghouse is to disseminate information on the health effect of alcohol and drugs, information on successful alcohol and drug abuse prevention curricula, and information on effective and ineffective school-based prevention programs. Under the Anti-Drug Abuse Act of 1986, the Department of Education was mandated to provide materials for distribution by the clearinghouse and also to defray part of the costs of the clearinghouse.

The clearinghouse budget for 1987 was $1.8 million, with $.5 million coming from the Department of Education. $1.2 million was appropriated in 1988 and $2.3 million has been requested in the President's budget for 1989.

Demonstration Grants. The Anti-Drug Abuse Act of 1986 earmarked $20 million of OSAP funds for 1987 for a new program of grants to demonstrate effective models for prevention, treatment and rehabilitation of drug and alcohol and drug abuse among high risk youth. OSAP is administering this program.

An announcement for the high-risk youth demonstration grant program was sent out in February 1987. Applications were due in by May. They were reviewed in June and July. All awards were made by September 30, 1987. Grant awards under this program ranged from one to three years.

For 1988, $23 million was provided for the High Risk demonstration grants. That money is to cover the second year of funding for those projects awarded two or three year grants last year. No new grants will be awarded in 1988.

$19.6 million has been requested in the President's budget for Fiscal year 1989. This will be for those programs that received a three year award in 1987. No new starts are included in this request.

ISSUES

At the present time, there are a number of underlying treatment and prevention issues to be addressed by the Federal government. They include:

- The availability of treatment services relative to the need for treatment.
- The adequacy of current Federal funding levels for drug abuse treatment, in general, and in response to the AIDS crisis.
- The best way to assess the use of Federal drug treatment funds by the States and localities.

  The term draw down refers to the transfer of funds from the Federal system to the State system to allow for the payment of vouchers or bills, once they have been received or within three days of expected receipt. This figure is often used to argue that the States and localities are not using Federal funds. In fact, this is the last step in the allocation process. Funds may have been obligated by the States long before they are ultimately drawn down. Funds obligated may be a better measure of whether or not States are able to absorb Federal funds.
- The ability of the treatment community to absorb additional Federal funds, if appropriated, to meet the demand for treatment.
- Barriers, in addition to funding, that inhibit the potential expansion of treatment capacity, e.g., need for new facilities, zoning restrictions, need for additional trained personnel, and community opposition.

o Prohibition against using Federal funds to fund the construction of new treatment facilities. Should this be changed?

Federal laws prohibit the use of Federal funds provided under both the Emergency Substance Abuse Treatment Block grant (ADTR) and the Alcohol, Drug Abuse and Mental Health Services (ADMS) grant to buy or improve real property including the construction of new buildings.

Informally, the Department of Health and Human Services has issued an opinion to the New York State Division of Substance Abuse Services (DSAS) indicating that a State may use both its ADMS block grant and ADTR funds to reimburse service providers for debt retirement costs. Thus, a State may permit a drug program to include the costs of paying off a construction loan in the rate for services the State negotiates with the program.

The 1988 proposed omnibus drug legislation (Title IV, subsection 413 of S. 2205 and H.R. 4230) would authorize any State receiving ADMS and ADTR block grants to use up to 40 per centum of its basic and emergency block grant allocations for the acquisition, construction, or renovation of substance abuse treatment facilities determined to be needed in the State, as identified in the Statewide Substance abuse treatment facilities plan required under the bill.

o The leadership role of the Federal government in the area of drug abuse treatment, how might it be expanded? Areas for consideration include:

- Increased data collection,
- Support for applied clinical research,
- Identification of model programs, and
- Dissemination of above information to the States.

o The proposed 1988 House and Senate omnibus drug bills (Title I Part A) would amend the 1968 Omnibus Crime Control and Safe Streets Act (42 U.S.C. 3741), to designate the Bureau of Justice Assistance as the coordinating Federal agency for the submission of a single application for all State and local grant-in-aid programs under the Anti-Drug Abuse Act of 1986. The single submission would meet the requirement of the Department of Human Services, Justice, and other Federal agencies providing financial or technical assistance and intergovernmental fiscal transfers. Is this the appropriate approach?

NEW YORK STATE - EMERGENCY SUBSTANCE ABUSE TREATMENT GRANT

Emergency Substance Abuse Treatment (ADTR) Block Grant

Under the ADTR program, New York State (NYS) received $13,459,000 in 1987. NYS's total ADTR Award was based on two components -- a "population" component accounting for 45% of Award value and a "need-based" component accounting for 55% of Award value. Each component was applied for separately by the Governor on behalf of NYS, as follows:

> Population Component - The Governor submitted the required "Model Statement" to the Federal Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) on December 23, 1986. This statement served as notification that NYS wished to participate in the ADTR program and requested the 45% "population" based component funding. On January 9, 1987 NYS received the first notice of Federal Grant Award for the ADTR Block Grant. Issuance of this notice of ADAMHA constituted approval of 45% "Population" based component application.
>
> Need-Based Component - The Governor submitted the "Need-Based" application to ADAMHA on June 2, 1987. On June 25, 1987 NYS received the notice of Federal Grant Award for ADTR for the "Need-Based" funding component. Issuance of this notice constituted approval of 55% "Need Based" component application.

As of December 1987, New York State had drawn down approximately 50 percent of the ADTR funding. By May 4, 1988, over 57 percent of their funds had been drawn down. Of the $13,459,000, however, $11,416,000 (over 80 percent) had been obligated by February 1988. It is expected that all funds will be obligated by July 1, 1988.

The 1987 NYS ADTR allocation was appropriated to the Aid to Localities Budget for SFY 1987-88 as follows:

- Division of Substance Abuse Services:
  $7,516,000
- Division of Alcoholism and Alcohol Abuse:
  $2,039,800
- Office of Mental Health:
  $1,481,500
- Task Force on Integrated Projects for Youth and Chemical Dependence:
  $2,421,000

New York State's ADTR funds, included in the SFY 1987-88 Aid to Localities appropriations, are being utilized to expand substance abuse treatment and rehabilitation service capacity in the following areas:

- Methadone Maintenance Outpatient Services
- Methadone Maintenance Other (Key Extended Entry Program - KEEP) Services
- Children of Substance Abuser (COSA) Services
- Drug Free Residential Services
- Drug Free Ambulatory Services
- Treatment Services for multiply disabled
- Alcohol related residential and clinic services for adolescents
- Treatment services for the mentally ill chemical abusers.

The invitations to the States to apply for 1988 ADTR funds were sent out on February 26, 1988. At last report, New York State had not received its 1988 award.

Construction

Until last year, the New York State Division of Substance Abuse Services received no money from the State for capital construction. During last year the State legislature appropriated $3 million. This year, DSAS received $12 million to renovate facilities made available by Mayor Koch in New York City.

New York State requested an opinion from the Department of Health and Human Services as to whether ADMS and ADTR block grant funds may be used to reimburse service providers for debt retirement costs. DHHS has indicated informally that a State may permit a drug program to include the costs of paying off a construction loan in the rate for the services the State negotiates with the program.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Public Health Service

Alcohol, Drug Abuse and
Mental Health Administration
Rockville MD 20857

DEC -2 1987

John S. Gustafson
Deputy Director
Division of Substance Abuse Services
Executive Park South, Box 8200
Albany, New York 12203

Dear Mr. Gustafson:

Recently I visited the Addicts Rehabilitation Center in New York City and met with Reverend Reginald Williams, Program Director of the Center. During that visit, Reverend Williams raised a question about the use of the Alcohol and Drug Abuse and Mental Health Services (ADMS) and the Alcohol and Drug Treatment and Rehabilitation (ADTR) Block Grant funds for construction or remodeling. Pursuant to my staff's discussion with your office, I am writing to clarify our position on this issue.

The statute governing the ADMS Block Grant expressly prohibits the use of these funds "to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment." This prohibition does not, however, preclude a service facility including in its reimbursement arrangement with the State ADMS or ADTR Agencies the costs associated with retiring debt resulting from capital purchases or improvements. This assumes such a practice is permitted under State statutes, regulations, cost principles or other State rules.

Therefore, while the ADMS and ADTR Block Grant funds may not be used directly for capital purchases or improvements, it is within the States' discretion to reimburse a facility over time for an appropriate share of such costs.

I hope this information is useful as you clarify your position on the issue raised by Reverend Williams. If you have any questions, please contact me.

Sincerely,

Robert Trachtenberg
Deputy Administrator

cc: Reverend Reginald Williams

NEW YORK CITY DRUG ABUSE TREATMENT
1987 ESTIMATES

Narcotic Abusers

In Need of Treatment	In Treatment
200,000	35,000

Heavy Non-Narcotic* Abusers

In Need of Treatment	In Treatment
244,000	5,000-7,000

WAITING LIST** FOR TREATMENT

Methadone Programs (January 31, 1988)	Length of Wait
1,189	Less than 2 months
Residential Programs (February, 1988)	
2,113	2 months

---

* Heavy marijuana, cocaine, hallucinogens, non-medical use of psychoactive prescription drugs.

** Definition of waiting varies between programs. In some programs individuals on waiting list for some residential programs may be receiving ambulatory care; individuals on waiting lists for methadone treatment may be waiting for admission to clinic at a different site, but in the interim receiving treatment.

NEW YORK STATE DRUG ABUSE TREATMENT

INDIVIDUALS IN DRUG ABUSE TREATMENT PROGRAMS (ACTUAL)

JANUARY 31, 1988

State Funded Programs	46,409
Non-State Funded Programs (Private/Federal)	6,359
TOTAL	52,768

1987 DRUG TREATMENT ESTIMATES

Narcotic Abusers

In Need of Treatment (estimate)	In Treatment (estimate)
260,000	40,000

Heavy Non-Narcotic* Abusers

In Need of Treatment	In Treatment
616,000	10,000-15,000

WAITING** LIST FOR TREATMENT

Methadone Programs (JANUARY 31, 1988)	Length of Wait
1,190	Less than 2 months

Residential Programs (February 1988)	Length of Wait
2,219	2 months

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* Heavy marijuana, cocaine, hallucinogens, non-medical use of psychoactive prescription drugs.

** Definition of waiting varies between programs. In some programs individuals on waiting list for some residential programs may be receiving ambulatory care; individuals on waiting lists for methadone treatment may be waiting for admission to clinic at a different site, but in the interim receiving treatment.

III. Drug Abuse Education Grants to States and Localities

Introduction. The "Drug Free Schools and Communities Act of 1986", Subtitle B of Title IV of the "Anti-Drug Abuse Act of 1986", provides the U.S. Department of Education with additional funds for drug abuse education programs. The law authorizes an expenditure of $200 million for fiscal year 1987, $250 million for fiscal year 1988 and $250 million for fiscal year 1989.

For 1987, $200 million was appropriated. In his fiscal year 1988 proposed budget, the President recommended $100 million for these programs. Congress appropriated $229.8 million. For 1989, the President has requested $250 million, the full amount authorized by Congress.

Structure of the Program. The major portion of the drug education funds authorized in the "Anti-Drug Abuse Act" is reserved for a program of grants to the States. The total amount of funds available is allocated to the States on the basis of school-age population, with a minimum allotment of one-half percent per State.

Each State's Chief School Officer is the primary distributor of the funds within the State (70 percent). The Governor of each State has the responsibility for distributing the remaining 30 percent. A State, however, need submit only one application to the Department of Education, signed by the Governor and the Chief Education Officer.

Ninety (90) percent of the funds dispersed by the State education agencies go to local and intermediate educational agencies and consortia in the State. The remaining 10 percent of the funds can be used by the State agency for training and technical assistance programs; dissemination of curricula and teaching materials; demonstration projects; and administrative costs (Not more than one-quarter of the 10 percent available to the State agency can be used for administrative costs).

Funds made available to local educational agencies are to be used for drug and alcohol abuse prevention and education programs including: the establishment of drug abuse education curricula; school-based early intervention and prevention programs; family programs; counseling; referral to treatment and rehabilitation; training; public and community education programs; programs for student athletes; and programs to identify and discipline drug and alcohol abusers. To receive funds, a local educational agency must establish, implement or augment mandatory drug abuse education programs for students in all grades from the early childhood level through grade 12. Local educational agencies must apply to their State educational agency for a grant.

Of the funds available to the Governor, at least 50 percent must be directed toward high risk youth. The remaining money is for grants and contracts with local governments and other public or private nonprofit entities (including parents groups, community action agencies, and other community-based organizations) for community-based drug abuse prevention and education programs.

Status. Most of the first year grant awards to States were made by June 1987, about 8 months after enactment of the Act. All States received their first year allocations before the beginning of fiscal year 1988 (October 1, 1988). California and New York were the last two States to receive awards, in August and September 1987, respectively.

According to Department of Education Staff, 70 percent of local education agencies received their first-year grants from States in time for the 1987/88 school year.

States were informed of the amounts of their 1988 allocations on February 11, 1988. Funds will be available for distribution to States beginning July 1, 1988.

H.R.5. P.L. 100 - 297, the School Improvement Act of 1988 (H.R. 5), extends through fiscal year 1993 virtually all major Federal programs for elementary and secondary education, including the Drug Free Schools and Communities Act.

H.R. 5 reauthorizes the Drug Free Schools and Communities Act for 1989 at $250 million and authorizes "such sums as may be necessary" for each year through 1993. This will provide flexibility for the program to grow as needed. H.R. 5 makes the date on which funds are available for distribution to States (July 1 of each year) consistent with other formula grant programs administered by the Department of Education.

H.R. 5 reaffirms the commitment of the Congress to a strong Federal partnership with State and local school agencies in developing comprehensive drug abuse education in our schools. The Act clarifies the authority of the Department of Education to conduct evaluations of programs and also adds provisions to increase the accountability of State and local programs. It requires State education agencies to provide technical assistance to local schools that fails to make reasonable progress toward implementing effective drug education programs.

In general, applications by State and local education agencies for funds under The Drug Free Schools and Communities Act cover a three-year period. However, some of the changes in H.R. 5 will require States and localities to amend the applications they filed for 1987 funding. It is not anticipated that this will pose major problem to the timely distribution of 1988 funds.

Curricula. The Department of Education expects to have available by September 1988 a guide that will contain criteria for State and local educational agencies to use in evaluating drug abuse education curricula. The Department has no plans to develop model curricula or programs for State and local educational agencies or to assess existing curricula based on the evaluation criteria they are developing. According to Department of Education staff, the National Clearinghouse for Alcohol and Drug Information in the Department of Health and Human Services is beginning to review drug education materials and curricula.

* * *

Other programs administered by the Department of Education under the Drug Free Schools and Communities Act are briefly summarized in the attachment provided by the Department of Education.

MAR 24 1988

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

OFFICE OF THE SECRETARY

DEPARTMENT OF EDUCATION PROGRAMS
to implement the
DRUG-FREE SCHOOLS AND COMMUNITIES ACT

On October 27, 1986, President Reagan signed the "Anti-Drug Abuse Act of 1986" into law. The Department of Education is responsible for administering Subtitle B of Title IV of that Act: the Drug-Free Schools and Communities Act of 1986 (the Act). The major components of the Department's programs and points of contact are listed below.

State and Local Grants Program: This is a formula grant program which allocates funds to States based on school-age population. Each State's allocation is divided between the State education agency (70%) and the Office of the Governor (30%). The SEA must allot at least 90 percent of the funds it receives to local education agencies to improve anti-drug abuse education, prevention, early intervention, and rehabilitation referral programs. The Governor provides financial support for anti-drug abuse efforts to community-based organizations. At least 50% of the Governor's funds must be used for programs for high-risk youth. All the States have received their allocations for the first year of the program. Allotments for FY 88 were sent to Governors and Chief State School Officers on February 11, 1988. Funds will be available July 1, 1988 (Allen King, 732-4599).

Audiovisual Grants Program: Eight awards were made in December to develop and distribute audiovisual materials to elementary and secondary schools for drug abuse education and prevention activities. These materials will be close-captioned videotapes with brief teacher guides. The tapes will be distributed to schools in August 1988 (Lou Mathis, 732-4637).

Grants for Institutions of Higher Education (IHEs): Responsibility for the implementation of this program is divided between the Fund for the Improvement of Postsecondary Education (FIPSE) and the Secretary's Discretionary Fund (SDF). FIPSE has made ninety-two grants to institutions of higher education to develop, operate, implement, and improve drug education and prevention programs for students enrolled in institutions of higher education. Regulations were issued for the FY 88 cycle. Application forms are available--proposals are due on April 27, 1988 (Ron Bucknam, 245-8100). SDF has responsibility for awarding grants to support preservice or inservice personnel training or demonstration programs in drug and alcohol abuse education and prevention for use in elementary and secondary schools. Forty-one grants were awarded in September 1987. Applications have been solicited for the FY 88 cycle. The deadline for submission was February 26, 1988. Applications are currently being reviewed. Awards should be announced in April (Bill Wooten, 732-4377).

Programs for Indian Youth: This program is administered under a Memorandum of Understanding between the Departments of Education and Interior. Anti-alcohol and drug abuse education and prevention services will be provided to Indian children on reservations attending elementary and secondary schools which are operated by the Bureau of Indian Affairs (Allen King, 732-4599).

Programs for Native Hawaiians: The Governor of Hawaii designates organizations to receive funds for drug prevention and education activities. The organizations which are eligible are those that primarily serve and represent Hawaiian natives (Allen King, 732-4599).

Regional Centers Program: The Department of Education has awarded five cooperative agreements to fulfill the requirements of the Act. The law authorizes the Department to support these regional centers to: (1) train school teams to assess and combat drug and alcohol abuse problems, (2) assist State educational agencies in coordinating and strengthening alcohol and drug abuse education and prevention programs, (3) assist local educational agencies and institutions of higher education in developing training programs for educational personnel, and (4) evaluate and disseminate information on effective substance abuse, education prevention programs and strategies.

A portion of the funds under the Regional Centers Program has been set aside for a project to provide support to the five regional centers in carrying out their responsibilities. Activities for this project include collecting and disseminating information on regional center activities, collecting and disseminating information on model alcohol and drug education and prevention activities, providing technical assistance to the centers in carrying out their responsibilities, and coordinating and supporting national workshops and conferences (Allen King, 732-4599).

Federal Activities: The Department is supporting a number of projects in this category.

- The Secretary's Discretionary Fund under its Federal Activities Grants Program supports model development, dissemination, technical assistance, and curriculum development activities for drug and alcohol abuse education and prevention. Thirty-eight awards were been made to State educational agencies, local educational agencies, institutions of higher education, and other nonprofit agencies, organizations, and institutions. Applications have been solicited for the FY 88 cycle. The deadline for submission was February 26, 1988. Applications are currently being reviewed and awards should be announced in April (Bill Wooten, 732-4377).

- The Challenge is the Department's program to encourage individual schools and school districts to sign a compact with representatives of school, home, and community to initiate or sustain a program based on the twelve principles in the handbook, Schools Without Drugs, to keep their schools drug-free and to become part of a national network of drug-free schools. As of March 17th, 2,269 schools and 318 school districts are members (Gary Hanna, 732-4161).

- The Challenge Newsletter is the Department's bi-monthly newsletter which highlights successful programs, provides the latest research on effective prevention measures, and answers questions about school-based efforts (Dianne Carter, 732-3030).

- The Department of Education works with the Department of Health and Human Services to support the National Clearinghouse for Alcohol and Drug Information. The Clearinghouse staff responds to requests from schools for information and materials on drugs and prevention strategies, drug education curricula, model drug education programs, and referrals for assistance and resources (Dianne Carter, 732-3030).

- Schools Without Drugs is in its third printing--more than 1.8 million copies have been distributed to date.

- The Office of Educational Research and Improvement (OERI) is currently supporting four initiatives designed to increase the amount of information available about drug abuse education and prevention

  - Drug-Free Schools Recognition Program. The Drug-Free Schools Recognition Program operates in a manner similar to the Department's School Recognition Program, though it receives guidance from an advisory group consisting of experts in the area of drug and alcohol abuse. Nominated schools are being reviewed by an appropriate panel, and those schools or programs selected for recognition will be honored at ceremonies in Washington, D.C. in May 1988. In the year after the recognition ceremonies, the Program will participate in 5 regional conferences on creating drug-free schools (Shirley Curry, 357-6134).

  - Network of Drug-Free Colleges. OERI is supporting development of a national network of colleges committed to eliminating drug abuse on their campuses. Initial networking efforts will focus on four year residential colleges so that information on

- comparable problems may be shared. The Network will be formed during the '87-'88 school year, with a national forum on the program to be held in the fall of 1988 (David Mack, 357-6117).

- New Research Perspectives on Student Drug Abuse. During the fall and winter of 1987, 8 to 10 leading scholars and researchers will reflect on the drug issue and produce papers on a creative research agenda that will assist the efforts to eliminate drug abuse in schools (Ron Pedone, 357-6233).

- Drug Abuse Curricula Criteria. OERI will develop, produce, and disseminate a guide to help school building and school district staff select and implement substance abuse curricula in elementary and secondary school. This guide will become available in summer 1988 (Nelson Smith, 357-6187).

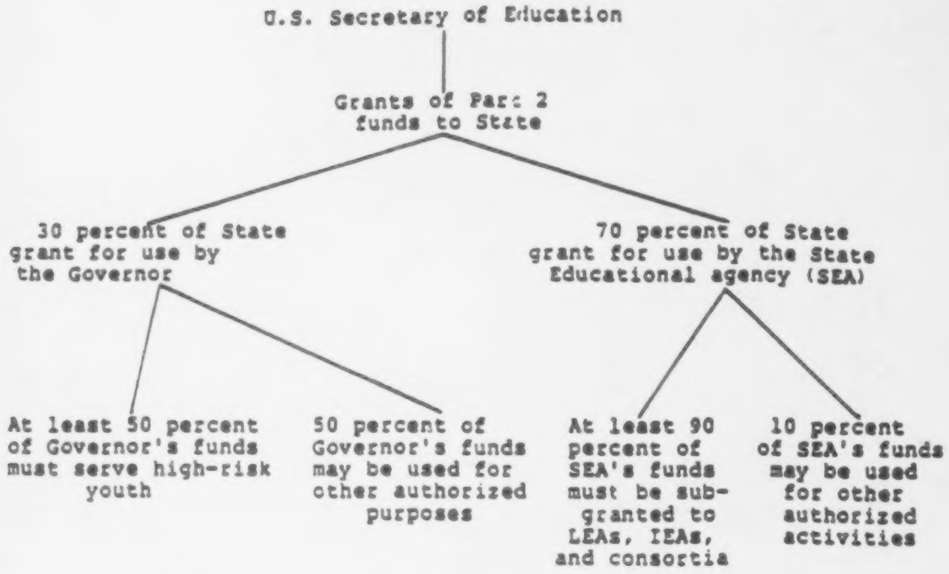
For further information on any of the activities summarized above, please call the appropriate contact person or write:

Drug Abuse Prevention Oversight Staff
Office of the Secretary
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 4145, MS 6411
Washington, D.C. 20202
or call (202) 732-3030.

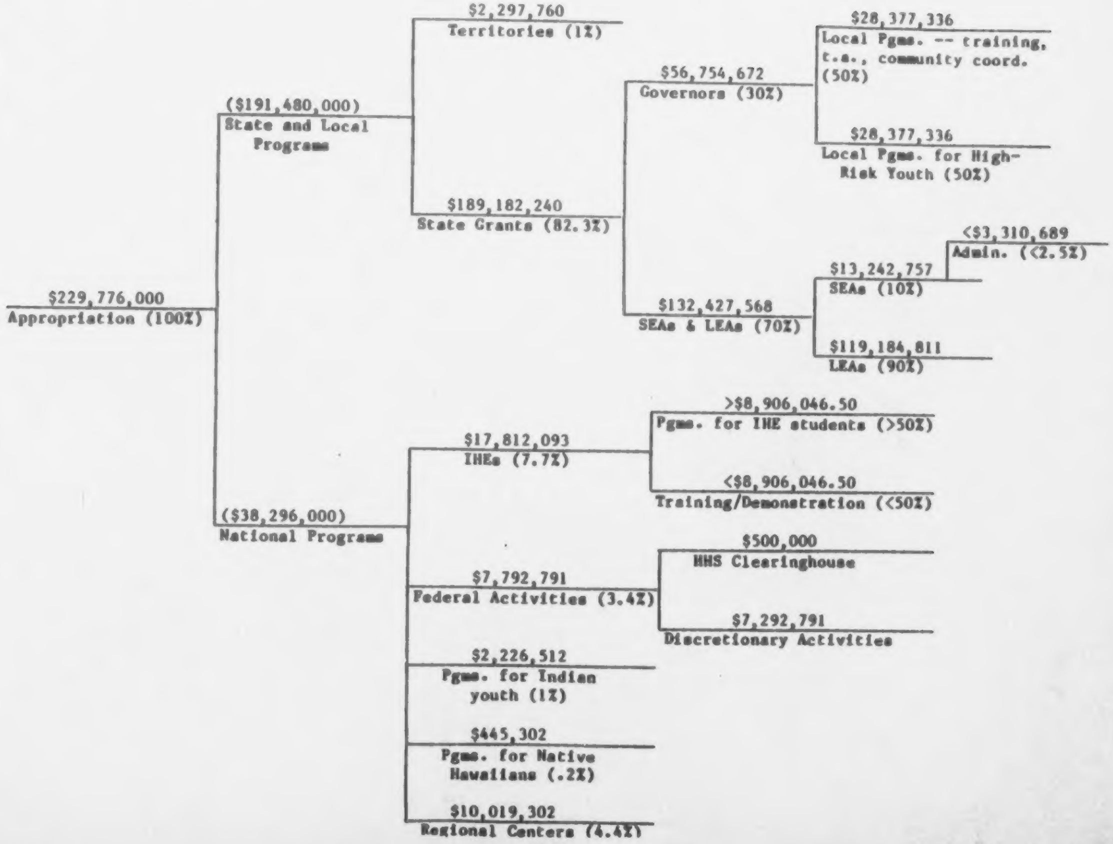
Drug-Free Schools and Communities Act of 1986

Title IV, Subtitle B, Anti-Drug Abuse Act of 1986 (P.L. 99-570)

Part 2 - State and Local Programs


U.S. Secretary of Education
Grants of Part 2 funds to State
30 percent of State grant for use by the Governor
70 percent of State grant for use by the State Educational agency (SEA)
At least 50 percent of Governor's funds must serve high-risk youth
50 percent of Governor's funds may be used for other authorized purposes
At least 90 percent of SEA's funds must be sub-granted to LEAs, IEAs, and consortia
10 percent of SEA's funds may be used for other authorized activities

Drug Free Schools and Communities Act of 1986
- 1988 Appropriation -

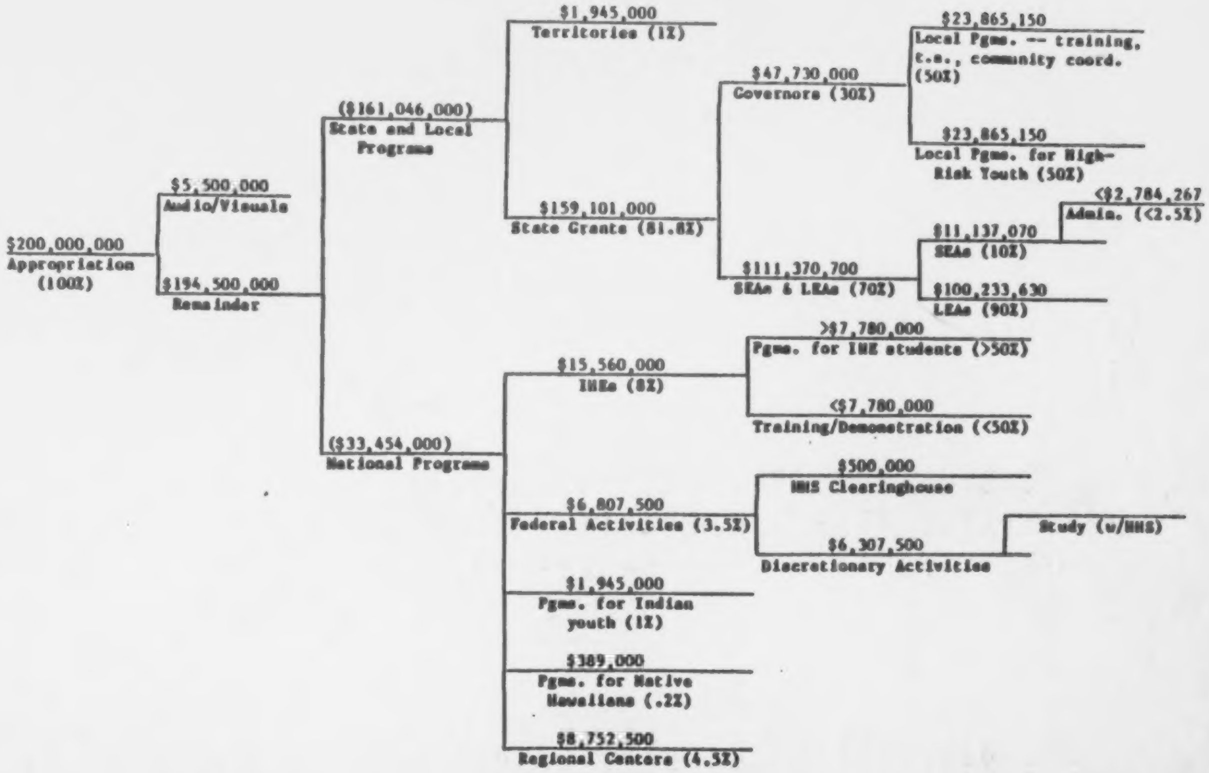

$229,776,000
Appropriation (100%)
($191,480,000)
State and Local Programs
$2,297,760
Territories (1%)
$189,182,240
State Grants (82.3%)
$56,754,672
Governors (30%)
$28,377,336
Local Pgms. -- training, t.a., community coord. (50%)
$28,377,336
Local Pgms. for High-Risk Youth (50%)
$132,427,568
SEAs & LEAs (70%)
$13,242,757
SEAs (10%)
<$3,310,689
Admin. (<2.5%)
$119,184,811
LEAs (90%)
($38,296,000)
National Programs
$17,812,093
IHEs (7.7%)
>$8,906,046.50
Pgms. for IHE students (>50%)
<$8,906,046.50
Training/Demonstration (<50%)
$7,792,791
Federal Activities (3.4%)
$500,000
HHS Clearinghouse
$7,292,791
Discretionary Activities
$2,226,512
Pgms. for Indian youth (1%)
$445,302
Pgms. for Native Hawaiians (.2%)
$10,019,302
Regional Centers (4.4%)

DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1986
STATE GRANTS: FISCAL YEAR 1988

21-Jan-88

State	Total Allotment (100%)	Allotment for State and Local Educational Agencies (70%)	Allotment for Governor (30%)
Total	$189,182,240	$132,427,568	$56,754,672
ALABAMA	$3,277,400	$2,294,180	$983,220
ALASKA	$945,911	$662,138	$283,773
ARIZONA	$2,432,917	$1,703,042	$729,875
ARKANSAS	$1,898,077	$1,328,654	$569,423
CALIFORNIA	$19,121,521	$13,385,064	$5,736,457
COLORADO	$2,388,682	$1,672,077	$716,605
CONNECTICUT	$2,227,828	$1,559,480	$668,348
DELAWARE	$945,911	$662,138	$283,773
FLORIDA	$7,246,473	$5,072,531	$2,173,942
GEORGIA	$4,922,133	$3,445,493	$1,476,640
HAWAII	$945,911	$662,138	$283,773
IDAHO	$945,911	$662,138	$283,773
ILLINOIS	$8,814,799	$6,170,358	$2,644,441
INDIANA	$4,395,336	$3,076,735	$1,318,601
IOWA	$2,219,785	$1,553,850	$665,935
KANSAS	$1,813,629	$1,269,540	$544,089
KENTUCKY	$3,016,013	$2,111,209	$904,804
LOUISIANA	$3,780,069	$2,646,048	$1,134,021
MAINE	$945,911	$662,138	$283,773
MARYLAND	$3,180,888	$2,226,622	$954,266
MASSACHUSETTS	$3,932,880	$2,753,016	$1,179,864
MICHIGAN	$7,342,985	$5,140,090	$2,202,895
MINNESOTA	$3,168,824	$2,218,177	$950,647
MISSISSIPPI	$2,340,426	$1,638,298	$702,128
MISSOURI	$3,763,984	$2,634,789	$1,129,195
MONTANA	$945,911	$662,138	$283,773
NEBRASKA	$1,218,469	$852,928	$365,541
NEVADA	$945,911	$662,138	$283,773
NEW HAMPSHIRE	$945,911	$662,138	$283,773
NEW JERSEY	$5,416,759	$3,791,731	$1,625,028
NEW MEXICO	$1,222,490	$855,743	$366,747
NEW YORK	$12,803,979	$8,962,784	$3,841,195
NORTH CAROLINA	$4,793,449	$3,355,414	$1,438,035
NORTH DAKOTA	$945,911	$662,138	$283,773
OHIO	$8,420,707	$5,894,494	$2,526,213
OKLAHOMA	$2,525,408	$1,767,786	$757,622
OREGON	$1,994,590	$1,396,213	$598,377
PENNSYLVANIA	$8,432,771	$5,902,939	$2,529,832
RHODE ISLAND	$945,911	$662,138	$283,773
SOUTH CAROLINA	$2,722,454	$1,905,718	$816,736
SOUTH DAKOTA	$945,911	$662,138	$283,773
TENNESSEE	$3,707,685	$2,595,380	$1,112,305
TEXAS	$13,511,737	$9,458,215	$4,053,522
UTAH	$1,688,967	$1,182,277	$506,690
VERMONT	$945,911	$662,138	$283,773
VIRGINIA	$4,137,969	$2,896,578	$1,241,391
WASHINGTON	$3,269,358	$2,288,551	$980,807
WEST VIRGINIA	$1,560,284	$1,092,199	$468,085
WISCONSIN	$3,687,578	$2,581,305	$1,106,273
WYOMING	$945,911	$662,138	$283,773

Drug Free Schools and Communities Act of 1986
- 1987 Appropriation -


$200,000,000
Appropriation (100%)
$5,500,000
Audio/Visuals
$194,500,000
Remainder
($161,046,000)
State and Local Programs
$1,945,000
Territories (1%)
$159,101,000
State Grants (81.8%)
$47,730,000
Governors (30%)
$23,865,150
Local Pgms. -- training, t.a., community coord. (50%)
$23,865,150
Local Pgms. for High-Risk Youth (50%)
$111,370,700
SEAs & LEAs (70%)
$11,137,070
SEAs (10%)
<$2,784,267
Admin. (<2.5%)
$100,233,630
LEAs (90%)
($33,454,000)
National Programs
$15,560,000
IHEs (8%)
>$7,780,000
Pgms. for IHE students (>50%)
<$7,780,000
Training/Demonstration (<50%)
$6,807,500
Federal Activities (3.5%)
$500,000
HHS Clearinghouse
$6,307,500
Discretionary Activities
Study (w/HHS)
$1,945,000
Pgms. for Indian youth (1%)
$389,000
Pgms. for Native Hawaiians (.2%)
$8,752,500
Regional Centers (4.5%)

DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1986
STATE GRANTS: FISCAL YEAR 1987

State	Total Allotment (100%)	Allotment for State and Local Educational Agencies (70%)	Allotment for Governor (30%)
Total	$159,101,000	$111,370,700	$47,730,300
ALABAMA	$2,760,904	$1,932,633	$828,271
ALASKA	$795,505	$556,854	$238,651
ARIZONA	$2,018,106	$1,412,674	$605,432
ARKANSAS	$1,611,093	$1,127,765	$483,328
CALIFORNIA	$15,598,768	$10,919,137	$4,679,631
COLORADO	$2,007,930	$1,405,551	$602,379
CONNECTICUT	$1,872,259	$1,310,581	$561,678
DELAWARE	$795,505	$556,854	$238,651
FLORIDA	$6,074,667	$4,252,266	$1,822,401
GEORGIA	$4,032,819	$2,822,973	$1,209,846
HAWAII	$795,505	$556,854	$238,651
IDAHO	$795,505	$556,854	$238,651
ILLINOIS	$7,478,862	$5,235,202	$2,243,660
INDIANA	$3,741,127	$2,618,789	$1,122,338
IOWA	$1,909,569	$1,336,698	$572,871
KANSAS	$1,536,474	$1,075,532	$460,942
KENTUCKY	$2,554,006	$1,787,804	$766,202
LOUISIANA	$3,225,577	$2,257,904	$967,673
MAINE	$795,505	$556,854	$238,651
MARYLAND	$2,659,151	$1,861,406	$797,745
MASSACHUSETTS	$3,401,949	$2,381,364	$1,020,585
MICHIGAN	$6,179,812	$4,325,867	$1,853,945
MINNESOTA	$2,689,677	$1,882,774	$806,903
MISSISSIPPI	$1,953,662	$1,367,563	$586,099
MISSOURI	$3,188,268	$2,231,788	$956,480
MONTANA	$795,505	$556,854	$238,651
NEBRASKA	$1,058,234	$740,764	$317,470
NEVADA	$795,505	$556,854	$238,651
NEW HAMPSHIRE	$795,505	$556,854	$238,651
NEW JERSEY	$4,639,947	$3,247,963	$1,391,984
NEW MEXICO	$1,024,316	$717,021	$307,295
NEW YORK	$10,874,028	$7,611,819	$3,262,209
NORTH CAROLINA	$4,015,861	$2,811,103	$1,204,758
NORTH DAKOTA	$795,505	$556,854	$238,651
OHIO	$7,092,200	$4,964,539	$2,127,661
OKLAHOMA	$2,170,735	$1,519,515	$651,220
OREGON	$1,709,454	$1,196,618	$512,836
PENNSYLVANIA	$7,231,262	$5,061,882	$2,169,380
RHODE ISLAND	$795,505	$556,854	$238,651
SOUTH CAROLINA	$2,289,448	$1,602,614	$686,834

DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1986
STATE GRANTS: FISCAL YEAR 1987

State	Total Allotment (100%)	Allotment for State and Local Educational Agencies (70%)	Allotment for Governor (30%)
SOUTH DAKOTA	$795,505	$556,854	$238,651
TENNESSEE	$3,106,865	$2,174,806	$932,059
TEXAS	$11,111,452	$7,778,015	$3,333,437
UTAH	$1,421,153	$994,807	$426,346
VERMONT	$795,505	$556,854	$238,651
VIRGINIA	$3,517,270	$2,462,089	$1,055,181
WASHINGTON	$2,764,296	$1,935,007	$829,289
WEST VIRGINIA	$1,339,751	$937,826	$401,925
WISCONSIN	$3,117,040	$2,181,928	$935,112
WYOMING	$795,505	$556,854	$238,651
D.C.	$795,505	$556,854	$238,651
PUERTO RICO	$2,985,938	$2,090,157	$895,781
OUTLYING AREAS:	$1,945,000	$1,361,500	$583,500
AMERICAN SAMOA	$255,601	$178,921	$76,680
GUAM	$723,113	$506,179	$216,934
NORTHERN MARIANAS	$128,403	$89,882	$38,521
REPUBLIC OF PALAU	$103,403	$72,382	$31,021
VIRGIN ISLANDS	$734,480	$514,136	$220,344

NOTE: As a result of the change in status of the Federated States of Micronesia and the Marshall Islands, formerly part of the Trust Territory, these entities are not eligible for funding under this program. The Republic of Palau, however, continues its trust relationship with the United States and is eligible for funding.

FY 1987 AWARDS

Drug Free schools State Grants 517/01000

STATE	APPLICATION REC'D BY ED	GOVERNOR FUNDS					SEA FUNDS					STATE TOTAL	
		DOCUMENT NUMBER	APPROVED (GOVERNOR)	elapsed cal. days	DATE FUNDS AWARDED	AMOUNT AWARDED	DOCUMENT NUMBER	APPROVED (SEA)	elapsed cal. days	DATE FUNDS AWARDED	AMOUNT AWARDED		
1 ALABAMA	04-Mar-87	L008750001	07-Jul-87	125	07-Jul-87	828,271	L008760001	22-Jun-87	110	23-Jun-87	1,932,633	2,760,904	ALABAMA
2 ALASKA	11-Mar-87	L008750002	10-Apr-87	30	13-Apr-87	238,651	L008760002	02-Apr-87	22	03-Apr-87	556,854	795,505	ALASKA
3 ARIZONA	09-Mar-87	L008750003	29-Apr-87	51	30-Apr-87	685,032	L008760003	30-Mar-87	21	30-Mar-87	1,412,074	2,097,106	ARIZONA
4 ARKANSAS	20-Feb-87	L008750004	18-Mar-87	26	19-Mar-87	483,328	L008760004	13-Mar-87	21	13-Mar-87	1,127,765	1,611,093	ARKANSAS
5 CALIFORNIA	26-May-87	L008750005	07-Jul-87	42	21-Jul-87	4,679,631	L008760005	07-Aug-87	73	12-Aug-87	10,919,137	15,598,768	CALIFORNIA
6 COLORADO	19-Mar-87	L008750006	22-May-87	64	27-May-87	602,379	L008760006	02-Apr-87	14	03-Apr-87	1,405,551	2,007,930	COLORADO
7 CONNECTICUT	04-Mar-87	L008750007	14-May-87	71	15-May-87	561,678	L008760007	30-Mar-87	26	30-Mar-87	1,310,581	1,872,259	CONNECTICUT
8 DELAWARE	13-May-87	L008750008	01-Jun-87	19	01-Jun-87	238,651	L008760008	08-Jun-87	26	08-Jun-87	556,854	795,505	DELAWARE
9 DIST. OF COL.	27-Mar-87	L008750009	10-Apr-87	14	13-Apr-87	238,651	L008760009	10-Apr-87	16	13-Apr-87	556,854	795,505	DIST. OF COL.
10 FLORIDA	19-Feb-87	L008750010	18-Mar-87	27	19-Mar-87	1,822,481	L008760010	18-Mar-87	27	19-Mar-87	6,252,206	8,074,687	FLORIDA
11 GEORGIA	27-Mar-87	L008750011	10-Apr-87	14	13-Apr-87	1,209,846	L008760011	10-Apr-87	14	14-Apr-87	2,822,973	4,032,819	GEORGIA
12 HAWAII	18-May-87	L008750012	07-Jul-87	50	07-Jul-87	238,651	L008760012	07-Jul-87	50	17-Jul-87	556,854	795,505	HAWAII
13 IDAHO	27-Feb-87	L008750013	06-Aug-87	160	18-Mar-87	238,651	L008760013	06-Aug-87	160	18-Mar-87	556,854	795,505	IDAHO
14 ILLINOIS	23-Mar-87	L008750014	22-Jun-87	91	23-Jun-87	750,000	L008760014	24-Apr-87	32	24-Apr-87	5,235,282	7,490,662	ILLINOIS *
15 INDIANA	07-Apr-87	L008750015	11-May-87	34	11-May-87	1,122,338	L008760015	11-May-87	34	11-May-87	2,618,789	3,741,127	INDIANA
16 IOWA	27-Feb-87	L008750016	18-Mar-87	19	19-Mar-87	572,871	L008760016	13-Mar-87	14	13-Mar-87	1,336,688	1,909,559	IOWA
17 KANSAS	01-Apr-87	L008750017	29-Apr-87	28	30-Apr-87	460,942	L008760017	24-Apr-87	23	24-Apr-87	1,075,532	1,536,474	KANSAS
18 KENTUCKY	28-Feb-87	L008750018	18-Apr-87	49	13-Apr-87	766,202	L008760018	18-Apr-87	49	13-Apr-87	1,787,884	2,554,086	KENTUCKY
19 LOUISIANA	03-Mar-87	L008750019	18-Mar-87	15	19-Mar-87	967,673	L008760019	18-Mar-87	15	18-Mar-87	2,257,904	3,225,577	LOUISIANA
20 MAINE	02-Apr-87	L008750020	10-Apr-87	8	13-Apr-87	238,651	L008760020	10-Apr-87	8	13-Apr-87	556,854	795,505	MAINE
21 MARYLAND	20-Apr-87	L008750021	12-Jun-87	53	16-Jun-87	797,365	L008760021	14-May-87	24	15-May-87	1,861,486	2,658,851	MARYLAND
22 MASSACHUSETTS	02-Apr-87	L008750022	01-Jun-87	60	01-Jun-87	1,020,585	L008760022	01-Jun-87	60	01-Jun-87	2,381,364	3,401,949	MASSACHUSETTS
23 MICHIGAN	09-Feb-87	L008750023	29-Apr-87	79	30-Apr-87	1,853,945	L008760023	29-Apr-87	79	30-Apr-87	4,325,067	6,179,012	MICHIGAN
24 MINNESOTA	05-Mar-87	L008750024	30-Mar-87	25	30-Mar-87	806,903	L008760024	30-Mar-87	25	30-Mar-87	1,882,774	2,689,677	MINNESOTA
25 MISSISSIPPI	06-Feb-87	L008750025	06-Mar-87	28	10-Mar-87	586,099	L008760025	06-Mar-87	28	10-Mar-87	1,367,563	1,953,662	MISSISSIPPI
26 MISSOURI	01-Apr-87	L008750026	22-May-87	51	27-May-87	956,488	L008760026	22-May-87	51	27-May-87	2,231,780	3,188,268	MISSOURI
27 MONTANA	04-Feb-87	L008750027	06-Mar-87	30	10-Mar-87	238,651	L008760027	06-Mar-87	30	10-Mar-87	556,854	795,505	MONTANA
28 NEBRASKA	03-Jun-87	L008750028	08-Jun-87	5	16-Jun-87	254,000	L008760028	08-Jun-87	5	09-Jun-87	760,764	1,050,236	NEBRASKA **
29 NEVADA	21-Jul-87	L008750029	13-Aug-87	23	25-Aug-87	238,651	L008760029	02-Sep-87	43	03-Sep-87	556,854	795,505	NEVADA
30 NEW HAMPSHIRE	16-Apr-87	L008750030	11-May-87	25	11-May-87	238,651	L008760030	11-May-87	25	11-May-87	556,854	795,505	NEW HAMPSHIRE
31 NEW JERSEY	20-Mar-87	L008750031	30-Sep-87	194	20-Apr-87	1,381,984	L008760031	16-Apr-87	27	20-Apr-87	3,247,963	4,629,947	NEW JERSEY
32 NEW MEXICO	14-May-87	L008750032	13-Jul-87	60	14-Jul-87	307,295	L008760032	08-Jun-87	25	09-Jun-87	717,021	1,024,316	NEW MEXICO
33 NEW YORK	25-Feb-87	L008750033	06-Oct-87	223	13-Oct-87	3,262,208	L008760033	11-Sep-87	198	15-Sep-87	7,611,818	10,874,026	NEW YORK ***
34 NORTH CAROLINA	25-Mar-87	L008750034	10-Apr-87	16	14-Apr-87	1,204,758	L008760034	10-Apr-87	16	13-Apr-87	2,811,103	4,015,861	NORTH CAROLINA
35 NORTH DAKOTA	07-Apr-87	L008750035	11-May-87	34	15-May-87	238,651	L008760035	11-May-87	34	11-May-87	556,854	795,505	NORTH DAKOTA
36 OHIO	01-Apr-87	L008750036	10-Apr-87	9	20-Apr-87	2,127,661	L008760036	10-Apr-87	9	13-Apr-87	4,964,539	7,092,200	OHIO
37 OKLAHOMA	09-Mar-87	L008750037	21-Jul-87	134	21-Jul-87	651,220	L008760037	02-Apr-87	24	03-Apr-87	1,519,515	2,170,735	OKLAHOMA
38 OREGON	14-Apr-87	L008750038	12-Jun-87	59	23-Jun-87	512,836	L008760038	01-Jun-87	48	01-Jun-87	1,196,618	1,709,454	OREGON
39 PENNSYLVANIA	19-Jul-87	L008750039	10-Aug-87	22	12-Aug-87	2,169,380	L008760039	07-Aug-87	19	12-Aug-87	5,061,882	7,231,262	PENNSYLVANIA
40 RHODE ISLAND	23-Mar-87	L008750041	24-Apr-87	32	24-Apr-87	238,651	L008760041	16-Apr-87	24	20-Apr-87	556,854	795,505	RHODE ISLAND
41 SOUTH CAROLINA	05-May-87	L008750042	14-May-87	9	15-May-87	606,034	L008760042	14-May-87	9	15-May-87	1,682,416	2,288,450	SOUTH CAROLINA
42 SOUTH DAKOTA	24-Mar-87	L008750043	08-Jun-87	76	09-Jun-87	238,651	L008760043	08-Jun-87	76	08-Jun-87	556,854	795,505	SOUTH DAKOTA
43 TENNESSEE	07-Jul-87	L008750044	02-Sep-87	57	03-Sep-87	932,059	L008760044	02-Sep-87	57	03-Sep-87	2,174,006	3,106,065	TENNESSEE
44 TEXAS	14-May-87	L008750045	08-Jun-87	25	16-Jun-87	3,333,437	L008760045	22-Jun-87	39	23-Jun-87	7,778,015	11,111,452	TEXAS
45 UTAH	15-May-87	L008750046	22-May-87	7	27-May-87	426,366	L008760046	22-May-87	7	27-May-87	994,787	1,421,153	UTAH
46 VERMONT	14-Jul-87	L008750047	30-Sep-87	78	30-Sep-87	238,651	L008760047	16-Aug-87	33	27-Aug-87	556,854	795,505	VERMONT
47 VIRGINIA	24-Jun-87	L008750048	07-Jul-87	13	07-Jul-87	1,055,181	L008760048	07-Jul-87	13	07-Jul-87	2,462,089	3,517,270	VIRGINIA
48 WASHINGTON	26-Feb-87	L008750049	02-Apr-87	35	03-Apr-87	829,209	L008760049	18-Mar-87	20	19-Mar-87	1,935,081	2,764,290	WASHINGTON
49 WEST VIRGINIA	17-Mar-87	L008750050	30-Mar-87	13	30-Mar-87	401,925	L008760050	30-Mar-87	13	30-Mar-87	937,826	1,339,751	WEST VIRGINIA
50 WISCONSIN	26-Mar-87	L008750051	29-Apr-87	34	30-Apr-87	935,112	L008760051	16-Apr-87	21	20-Apr-87	2,181,928	3,117,040	WISCONSIN

Drug free schools State Grants 917/01000

STATE	APPLICATION REC'D BY ED	DOCUMENT NUMBER	GOVERNOR FUNDS APPROVED (GOVERNOR)	elapsed cal. days	DATE FUNDS AWARDED	AMOUNT AWARDED	DOCUMENT NUMBER	SEA FUNDS APPROVED (SEA)	elapsed cal. days	DATE FUNDS AWARDED	AMOUNT AWARDED	STATE TOTAL
51 WYOMING	26 Feb 87	L008750052	22-Jun 87	116	23 Jun 87	238,651	L008760052	06 Mar 87	8	10 Mar 87	556,854	795,505 WYOMING
52 AMERICAN SAMOA	19 May 87	L008750053	02-Sep 87	106	03 Sep 87	78,680	L008760053	02-Sep 87	106	03 Sep 87	176,921	255,601 AMERICAN SAMOA
53 NOR MARIANAS	15 Sep 87	L008750054	-	-		0	L008760054				0	0 NOR. MARIANAS
54 GUAM	14 Oct 87	L008750055	-	-	-	0	L008760055			-	0	0 GUAM
55 PUERTO RICO	05-May 87	L008750048	12-Jun 87	38	16 Jun 87	885,781	L008760048	12-Jun 87	38	16 Jun 87	2,098,157	2,983,938 PUERTO RICO
56 PALAU	16 Mar 87	L008750056	22 Jun 87	98	23 Jun 87	31,021	L008760056	22 Jun 87	98	23 Jun 87	72,382	103,403 PALAU
57 VIRGIN ISLANDS	16 Apr 87	L008750057	11 May 87	25	11 May 87	220,264	L008760057	11 May 87	25	11 May 87	510,136	730,400 VIRGIN ISLANDS
60 Dept Pub. Instruction, NE		L008750058	-	-	16-Jun 87	63,470						
60 Dept of State Police, IL		L008750114	-	-	23-Jun 87	1,403,660						
						============					==========	==========
						48,058,345					112,136,139	160,194,484
												$4,113,725 Carryover

* ILLINOIS total includes award to State Police

** NEBRASKA total includes award to Dept. of Pub. Instruction

*** NEW YORK total includes award made in FY 1988 for Governors funds.

NOTE: Carryover includes $851,516 for grants to Guam & the Northern Marianas and $3,262,209 for the Governor of New York awarded in October 1987 (FY 1988).

Student Population and School Statistics

(As of the Fall of 1987)

Total Enrollment

65.2 million persons enrolled in American School (all levels)

Student Population

Public elementary & secondary student population - 40.2 mil

Private elementary & secondary student population - 5.7 mil

Schools

The total numbers of Elementary and Secondary Schools-83,455

Statement by

DICK HAYS

DIRECTOR, DRUG ABUSE PREVENTION OVERSIGHT STAFF

U.S. DEPARTMENT OF EDUCATION

before the

House Select Committee on Narcotics
Abuse and Control

May 26, 1988

Mr. Chairman and members of the Committee, I am pleased to be able to testify on behalf of the Department of Education on our substantial progress in implementing and administering the Drug Free Schools and Communities Act as authorized by the Anti-Drug Abuse Act of 1986. I appreciate this Committee's interest in the area of drug abuse prevention and am happy to share with you how this program is working both at the national and at the state level.

First, I would like to report on the Department's progress in awarding grants to States and local school districts. I am submitting for the record a chronology which lists the dates we received State applications and the dates we awarded grants.

Of the total authorization for State drug education and prevention efforts, 70 percent of the money goes to the State Educational Agency (SEA) and 30 percent is used by the Governor. After the Department provides funds to the SEAs, the SEAs subgrant these funds to local educational agencies (LEAs) after State approval of their applications. By June of last year, 48 states had received their federal grants. By February 29, 1988, 86 percent of the total funds available to LEAs had been awarded. Nineteen states including California, Illinois, Florida, Texas and Ohio reported that all of their LEA funds had been awarded.

The number of LEAs participating in the grant program is also high. Twelve states report 100 percent LEA participation. Overall, 81 percent of all LEAs have elected to participate in this program.

In addition, all governors have received their awards and projects are now being implemented at the local level. A number of governors have committed one hundred percent of their funds for preventing drug abuse among high-risk youth.

We are pleased with the prompt distribution of funds and the implementation of programs by the great majority of States and school districts. However, we did encounter a few difficulties in implementing the program that delayed the distribution of funds in some States.

The requirement that SEAs allocate funds to LEAs on the basis of population between the ages of 5 - 17 according to population data, rather than on the basis of school enrollment, was a problem in some States. This problem has been solved for future fiscal years by language enacted both in the Continuing Resolution and in P.L. 100-297.

In addition, a delay in the distribution of funds to a few States was caused by their decision to develop a comprehensive plan for all drug funds coming into the State.

Finally, the prohibition on the use of the Governor's funds for administrative costs by a governor's office delayed the submission of applications from some states until the Governors could arrange funding for administrative functions.

At the local level, projects are now underway. There have, however, been questions from this Committee about the actual expenditures of funds.

As with all State grant programs, funds are not released until they are needed or spent. Therefore, total expenditure figures do not necessarily reflect the level of activity now taking place in the LEAs. Let me mention several points here.

- First, some programs are not scheduled to begin until this summer; therefore no money has been spent to date.

- Second, if the dollar amount of an approved LEA request is small, LEAs may choose to request funds only at the end of the year to reduce the administrative costs associated with the request.

- Third, if the LEA has chosen to purchase supplies or equipment, funds will not be disbursed until receipt of the supplies or equipment.

We are aware that the Congress, the Administration and educators are interested in how the Drug Free Schools and Communities Act is being implemented. Shortly after the Anti-Drug Abuse Act became law, the Department forwarded to Congress a legislative proposal to cure the various technical flaws in the legislation and, more importantly, improve State and local accountability for the results of their programs through strengthened application and reporting requirements. I am pleased to say that Congress included many of these improvements in the recently enacted Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, P.L. 100-297. We would, however, like to continue working with this committee and our authorizing committees to ensure even greater accountability in the federal drug prevention program.

The Department has already begun its effort to monitor States for more detailed information on the implementation of State and local programs. Recent site visits to Virginia, Ohio, Minnesota, and Louisiana indicated that drug prevention programs are being successfully implemented.

This summer we will be awarding a contract for activities that will provide useful information about the program for future legislative actions and improved program management. Data will update a baseline survey of State and local drug prevention activities that was conducted in Spring, 1987, and provide suggestions for future evaluation studies.

In an effort to ensure program effectiveness, Department staff provide technical assistance to State program coordinators on a daily basis. We have sponsored two national conferences to provide opportunities for the dissemination of information about program requirements. These conferences have provided an opportunity for staff working at the State level to provide information about their programs and receive information about other State programs.

Through its five Regional Centers, the Department also provides technical assistance, training, and a channel for keeping SEAs and LEAs informed about effective programs and practices.

Secretary Bennett has worked forcefully to advance effective measure for ridding our society of illegal drugs and making our schools drug free. Some of our most recent accomplishments include:

Over two million copies of Schools Without Drugs, our drug prevention handbook, have been distributed. This booklet has now been translated into Spanish and Chinese for use by parent and community groups.

In addition, we have distributed approximately 200,000 copies of each issue of The Challenge newsletter. This bimonthly newsletter provides information on drugs of abuse and their effects on adolescents; successful school-based drug prevention programs; and techniques parents and teachers can use to give firm guidance and consistent no-use messages to youngsters. The newsletter is sent to superintendents and principals in public and private schools across the nation as well as to parent groups, education groups, members of Congress, Governors, and State educational agencies.

The ~~Department~~ just held its first Drug-Free Schools Recognition awards ceremony which provided an opportunity to commend schools that have successfully prevented or substantially reduced illegal drug and alcohol use by students. This year 30 schools from 21 States were recognized at a White House ceremony on May 16, 1988. These schools were selected from 238 nominees.

Audiovisual materials for drug prevention in elementary and secondary schools are under development through cooperative agreements from the Department. The videotapes will be distributed to schools early this fall.

Five Regional Centers for Drug-Free Schools and Communities are funded by the Department. They are assisting schools, school districts, and State educational personnel, and institutions of higher education in developing and implementing effective drug prevention programs and inservice training programs for teachers.

The Department is also developing drug abuse curricula criteria that will be published in a guide to help school building and school district staff select and implement substance abuse curricula in elementary and secondary schools. The guide will be available in this fall.

The Department has also supported a Network of Drug-Free Colleges committed to eliminating drug abuse on their campuses. A national meeting of the network will be held this fall. Last month, Secretary Bennett sent a letter to all college and university presidents asking them to join the network and thereby accept the challenge of establishing strong institutional policies against the use of illegal drugs.

I am submitting for the record a summary of the Department of Education's progress in implementing our responsibilities under the Drug-Free Schools and Communities Act.

We have also entered into cooperative arrangements with other agencies, including:

- Clearinghouse Activities: The Department entered into a Memorandum of Understanding and transferred $500,000 to HHS to assist in establishing the drug information Clearinghouse. Drug education-related materials produced by the Department of Education, including items such as posters on crack and steroids, The Challenge newsletter, and other Department publications are sent to the Clearinghouse for distribution on request to the public.

- Steroids Campaign: Another Memorandum of Understanding, with FDA, focused on the joint development of a poster on the dangers of steroids. This poster was distributed to coaches and athletic directors in every private and public school in the country.

- National Collegiate Drug Awareness Week Kick-Off Conference: A third agreement was signed with HHS to support the Kick-Off Conference for the National Collegiate Drug Awareness Week.

- Publications and Conferences: the Department of Education and HHS have been supportive of each other's drug prevention efforts. We have published a number of articles from key HHS staff members in The Challenge newsletter.

- In cooperation with DOD, The Department of Education has made its publications on drug abuse prevention available to DOD schools. These schools receive each edition of the Department's national newsletter, The Challenge.

- The Department also has supported NHTSA efforts to enforce user responsibility by publishing articles on State initiatives to deny driver's licenses for persons convicted of drug- or alcohol- related offenses. The Department newsletter also is publicizing the availability of a NHTSA guide to drug- and alcohol-free graduation parties.

I will be happy to answer any questions you may have.

REPORT TO THE SELECT COMMITTEE ON NARCOTICS
U.S. House of Representatives
By Steven L. Hicks
The N.C. Department of Public Instruction
Alcohol and Drug Defense Division
May 25, 1988

"Implementation of the Drug-Free Schools Act"

I. Introduction

One of the most significant advances for the field of drug abuse prevention has been the shift of primary responsibility for K-12, school-based services from traditional human service agencies to schools. Current research indicates that the most effective prevention strategies involve a comprehensive and age-appropriate curriculum that is integrated in the school program in grades K-12. This program must be managed internally by public schools if it is going to be effectively implemented and evaluated.

The delivery of scattered, short-range prevention programs by agencies outside the schools has failed to prepare students adequately to make healthy decisions about the use of alcohol and other drugs.

II. State and Federal Legislation

This shift in public policy began in 1985 when the North Carolina General Assembly established the Alcohol and Drug Defense Division (ADD) with primary responsibility for school-based prevention, early identification, and intervention services. In 1987, the state legislature further distinguished the responsibilities of the Departments of Public Instruction and Human Resources. Senate Bill 1356 specifies that the Department of Public Instruction has primary responsibility in grades K-12 for:

- education/prevention,
- early identification,
- intervention services, including Student Assistance Programs,
- facilitating referrals of students to community-based treatment,
- educational (academic) services to students in treatment, and
- facilitating students' re-entry into the regular school program.

The Department of Human Resources has primary responsibility for community-based:

- prevention,
- assessment/intervention, and
- treatment services for adolescents.

This shift in public policy was made at the federal level with the passage of the 1986 Omnibus Drug Bill and specifically the Drug-Free Schools and Communities Act. For the first time, a significant federal responsibility was placed upon the U.S. Department of Education, State Education Agencies, and local schools for the delivery of a "mandatory, age-appropriate, K-12 curriculum." Most importantly, limited resources accompanied the policy measure to begin establishing a national foundation for integrated alcohol and drug curricula.

III. Implementation of the Act in North Carolina -- FY 87-88

Application was made to the U.S. Department of Education for Financial Assistance Under Part 2 of the Act on March 23, 1987 (Attachment A). The Governor designated the Department of Human Resources to be the agency to receive and administer the 30% portion of the funds.

On April 10, 1987, the U.S. Department of Education notified the State Superintendent that the state education agency's application was approved and covered programs to be funded from Federal fiscal year 1987, 1988, and 1989 appropriations (Attachment B). The initial grant to North Carolina included:

SEA/70% portion	$ 2,811,103
Governor/30%	1,204,758
	$ 4,015,861

The SEA funds were further specified as:

LEA grants/90%	$ 2,529,993
State Implementation/ Administration	281,110
	$ 2,811,103

A. LEA Application Process

ADD immediately developed a "Manual on Comprehensive K-12 School-Based Prevention and Intervention Alcohol and Drug Services" (Attachment C). This manual outlined a plan for each school district to use in implementing the provisions of the Act.

The major statewide concern was to develop a plan to meet the requirement of a comprehensive K-12 curriculum in the first year of the grant. We were limited to only $1.98 per student to meet the conditions of prevention and intervention services. The Division recommended the mandatory implementation of the North Carolina "Healthful Living Curriculum" in grades K-9. This is a basic health education curriculum that incorporates alcohol and other drug-prevention strategies. The manual further recommended drug education performance standards at four progressive levels (K-3, 4-6, 7-8, 9-12) and extracurricular activities that could be integrated at each level.

The Controller's Office of the NC Department of Education prepared an allotment formula for the 140 school districts based upon the 1980 census (Attachment D). A cover letter and a "request for proposals" was sent to each local superintendent explaining the conditions of the Federal Act and the application process (Attachment E).

Initially, 131 Local Education Agencies (LEAs) applied for funding with entitlements ranging from $924 to $169,658. The mean application was for $18,917. Nine LEAs chose not to apply primarily because of the limitations of federal funds combined with the requirements and expectations of the Act. Consequently, $51,811 was held in reserve for those nine to consider making late application or to be awarded in FY 88-89 on a statewide, competitive basis.

The grant applications were carefully reviewed by the Department to determine:

1. that the program objectives met the criteria established in the Act,

2. that an Assurances Sheet was appropriately signed, and that

3. the budget complied with state and federal guidelines.

Once those conditions were met, a recommendation was made to the State Board to allocate the Drug-Free Schools grant funds to the 131 LEAs. That action was made in June 1987 and funds were allotted to LEAs on July 1, 1987.

B. State Administration

The organization of the ADD Division, prior to the Act, is reflected on Attachment F. In addition to the state and regional staff, each local superintendent was asked, in 1985, to designate an existing school employee to serve as the ADD contact to work with the Division to coordinate prevention and intervention training, resources, grant applications, etc.

In order to implement the provisions of the Act more adequately, the Division used a portion of the 10% administration funds to employ:

- a prevention trainer,
- an intervention trainer,
- a research specialist, and
- a curriculum specialist.

A monitoring process was established which included a minimum of two on-site visits per year to be made by regional staff (Attachment G).

C. Training

One of the immediate priorities included the delivery of training in comprehensive, school-based services for 60,200 teachers, administrators, and other support personnel. Two 10-Hour Training Modules were developed in prevention and intervention during FY 85-86. For the period July 1985 through March 1988, approximately 24,600 persons have been trained in prevention, and 6,400 have been trained in intervention.

D. Alcohol and Other Drug Use Survey

When the ADD Division was established in 1985, many school administrators denied the extent of the problem. The Division developed an instrument to survey all 7th-12th grade students on a randomly selected basis. The survey was conducted in the spring of 1987 and the results were published in November. This report, entitled "Alcohol and Other Drug Use Patterns Among Students in North Carolina Public Schools in Grades 7-12" (Attachment H), provided clear documentation of the extent of the problem and has supplied valuable data concerning the direction and management of program services.

The survey will be repeated every other year and will be used on an on-going basis to guide the state in program implementation.

The report indicates that the top drugs used by students are:

- alcohol (59.6%),
- cigarettes (48.7%),
- smokeless tobacco (31.8%),
- marijuana (30.5%), and
- inhalants (22.5%),

plus a range of lesser used drugs, including cocaine, which had been used by 6.2% of students in grades 7-12.

Almost one out of three 7th-12th graders has used marijuana and almost 13% use it regularly. Almost one in ten 11th-12th graders has used cocaine. Almost one in three of all 7th-12th graders reported being drunk in the last year, and almost 13% came to school drunk at least once in the last year. In spite of new, tougher DWI laws, over half of the 7th-12th graders reported drinking while riding around or sitting in cars at night.

Using a problem-drinking index which comprises frequency of intoxication and problems caused by alcohol, 7.7% of all 7th-8th graders, 20.1% of all 9th-10th graders and 29.4% of all 11th-12th graders can be classified as problem drinkers. This means that approximately 100,000 7th-12th graders in North Carolina are problem drinkers.

While the new resources from federal and state dollars appear to be having positive impact on drug use, it is obvious that much work remains to be done.

E. Integrated Curriculum Resource Guides

In addition to the mandatory implementation of the core "Healthful Living Curriculum" in grades K-9, the Division developed three specific guides for grades 10-12. Attachment I includes the following:

10th Grade	Science/Biology
11th Grade	Social Studies/U.S. History
12th Grade	Communication Skills/English IV.

A general summary of the initial experience of the State Department in implementing the Act is reflected in Attachment J. During the first year of implementation, we have experienced:

1. a readiness on the part of schools to address prevention services;
2. confusion regarding investments in "pre-packaged" curricula and AV materials;
3. a reluctance to implement early identification services;
4. a struggle by local boards to address prevention and intervention services in school policy, in addition to more punitive policies which suspend and/or expel students connected to alcohol and other drugs, without provision for assistance;
5. problems with program outcome evaluation measures; and
6. training needs for Advisory Council members.

This is an abbreviated list of many in-depth issues that has surfaced.

IV. North Carolina Continuation of The Drug-Free Schools Program -- FY 88-89

On February 11, 1988, the State Superintendent received notice of the Allotments of FY 88 funds for North Carolina. A new allocation sheet was prepared based upon ADM rather than the 1980 census.

Although the 90% portion of the SEA Allotment increased by $489,880, some LEAs will receive fewer federal dollars due to the new formula.

A continuation application was mailed to all superintendents on February 4, 1988 (Attachment K). As of May 15, 1988, 135 of the 140 LEAs have applied for funding for FY 88-89. All conditions will be met by July 1, 1988, and allotments will be made on that date.

The major focus of the Division and of the LEAs for the next year will be to:

1. Continue strengthening the K-12 prevention effort by:
    - (a) improving the alcohol and drug content in the core health education curriculum;
    - (b) concentrating on reinforcement via the integrated approach at each grade level, with a focus on grades K-4;

- (c) expanding in-service activity using community colleges and telecommunications to deliver the 10-Hour Training Module;
- (d) increasing efforts with "Peer Programs" at middle, junior and senior high levels; and
- (e) increasing focus on parental training at the elementary level.

2. Concentrate on intervention services in response to the mandates from State Senate Bill 1356 by:

   - (a) incorporating intervention services in school policy by action of the State Board;
   - (b) expanding the implementation of Student Assistance Programs;
   - (c) implementing a model delivery system to address educational needs of children in treatment; and
   - (d) expanding the training modules to include:
     - (i) Introduction to Student Assistance Programs,
     - (ii) Core Team Development, and
     - (iii) In-School Support Group Training.

3. Continue the statewide survey of alcohol and other drug use patterns and increase efforts to evaluate local programs on a process and outcome level.

V. Conclusions

Both the North Carolina General Assembly and the U.S. Congress have recognized that effective management of alcohol and other drug services for adolescents must be integrated and managed by schools. This shift in responsibility with continued, sustained support provides new hope in the efforts to defend our youth against the pressures to use alcohol and other drugs.

We know what works! The research in the area of addiction/chemical dependency is quite extensive. We have learned how to facilitate recovery through treatment and on-going support.

From our experiences in treatment, we have learned strategies for identification of those who are at "general risk" and "great risk" to become involved with the use of alcohol and other drugs. We know how to train school professionals to implement a systematic intervention program that works!

Perhaps, most significantly, we have learned, through investigation and study, how to prevent and/or to delay the onset of alcohol and other drug use. There is a significant body of knowledge about child/adolescent development that speaks to this issue and is the basis for effective K-12 prevention efforts. We know what works in prevention!

The real question is, will we say yes to what works and will we then establish a reasonable level of funding to sustain and expand these efforts? Will we balance our strategies to reduce supply with our efforts to reduce demand, since we know that supply reduction alone will not solve the nation's problem with drugs?

VI. Recommendations To The Congress

A. The Drug-Free Schools legislation concentrates on drugs other than alcohol. Every major study of adolescent drug use indicates that alcohol is the most prevalent form of drug used, and is responsible for the most behavioral and health-related problems. Congress should firmly state that alcohol is included as an integral focus to building "drug-free" schools.

B. In the early 1970's, NIDA and NIAAA had extensive research funding to evaluate a small but growing number of treatment, intervention and prevention projects. In 1988 there is a tremendous array of pre-packaged curricula and other resources available to schools and communities. Millions of dollars are being invested in programs and projects that are not being rigorously evaluated. Congress should expand program evaluation/research funding to the U.S. Department of Education, NIDA, NIAAA and to their respective state counterparts to evaluate programs being implemented with federal program funding.

C. Federal agencies have experienced a transition from the days of direct project funding to the current mechanism of working through state agencies. Although the current model is a vast improvement, adequate resources are not always available at the state level. Congress should evaluate the minimum level of state management needed to sustain a comprehensive school-based program and establish a commitment to work with states to maintain a sustained level of financial support.

D. In the past, federal agencies were able to provide direct technical assistance to states and local projects. Again, management responsibility has been shifted to the states. The U.S. Department of Education and most SEAs are new to the delivery of alcohol and drug-abuse services. Consequently, the delivery of technical assistance has suffered. Although the U.S. Department of Education has Regional Training Centers, their mission is not clearly tied to the Act. Training school-based teams/advisory councils is only one aspect of the comprehensive program. Congress should explore new mechanisms for the delivery of technical assistance that flows from the U.S. Department of Education/Regional Training Centers through SEAs to LEAs.

E. Training efforts in schools have been concentrated at the in-service level because of the demand for immediate services to students in the classroom. To date, education and health services have failed to adequately address training at the pre-service level in colleges and universities. Congress should support the expansion of college and university courses to prepare all school personnel and health-care professionals for the delivery of alcohol and drug services for children, adolescents and adults.

F. In order for any of the above to work, there must be an adequate, secure funding base. Congress has indeed moved the nation to a new level of commitment to reduce the demand for alcohol and other drugs with the implementation of the Drug-Free Schools Act. Congress should act as quickly as is feasible to establish the future funding commitment for public schools to manage internally K-12 prevention and intervention programs.

It seems to me that the above strategies are our best and only real hope for a nation which is at great social and economic risk due, in large measure, to massive alcohol and other drug use by children, youth and adults.

Steven L. Hicks, Division Director
Alcohol and Drug Defense Division
N.C. Department of Public Instruction

SUBMISSIONS FOR THE RECORD

GOVERNOR'S OFFICE OF CRIMINAL JUSTICE SERVICES
CAPITOL SQUARE, 65 EAST STATE STREET, SUITE 312, COLUMBUS, OHIO 43215

June 9, 1988

The Honorable Charles B. Rangel
Chairman, House Select Committee on
Narcotics Abuse and Control
U.S. House of Representatives
Room H2-234, House Office Building,
Annex 2
Washington, D. C. 20516-6425

Dear Chairman Rangel:

I want to thank you for giving me the opportunity to testify before the House Select Committee on Narcotics Abuse and Control.

There are two issues which came up during the question and answer session which I did not have an opportunity to address and I would like to do so now. First is the concern that to date only 18 states had submitted their applications for FY 88 funds. I believe there are two possible explanations for this. Due to the delayed start-up many of the states will still be expending their FY'87 funds at this time. (Ohio is not one of these. Our 1987 funds are all allocated and our 1988 application was submitted to the Bureau of Justice Assistance on February 25, 1988.)

Additionally, many states consciously delayed expenditure of 1987 funds in order to create a carry-over designed to deal with the 75% reduction in 1988 funds. It was hoped the steep cut imposed could be weathered in this manner and that a reasonable appropriation would be restored in 1989.

Secondly, I would like to address the issue raised by Mayor Berkley that drug abuse is an urban problem and that, therefore, some form of entitlement to the cities is warranted. No one would agrue that funds should not be directed where the problems exist nor that drug abuse is not an urban problem. It is not exclusively an urban problem, however, and I believe that a strategy for dealing with drugs must be formulated at the state level with guidance, technical assistance and support from the Justice Department.

State of Ohio • Richard F. Celeste/Governor • David G. Schroot/Director

Chairman Rangel
June 1, 1988
Page 2

What cities do in response to this problem should not be done unilaterally. Cities and localities typically are responsible for only the law enforcement component of the criminal justice system. A major police initiative, for instance, results in increased workloads for counties and states. Increased arrests by the police create significant burdens for county courts, prosecutors, public defenders, sheriffs (who maintain the jails), and county commissioners, who ultimately must pay the bills. Convictions frequently result in prison terms which exacerbate already crowded conditions in state prisons (Ohio is currently at 135% of rated capacity).

Drug abuse is not merely an urban issue. It is a state and national issue and a "systems" issue which requires coordination and planning at several levels if we are to do more than "throw money at the problem." Therefore, I urge that Congress continue to require state planning and coordination and that federal funds continue to be funnelled through the responsible state agency to assure cooperation at all levels of government.

Sincerely,

David G. Schroot
David G. Schroot
Director

DGS/kjl

PROGRESS IN IMPLEMENTING PART 2 OF THE DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1986

10/27/86	President signed into legislation the Drug-Free Schools and Communities Act of 1986.
11/21/86	Letters to Governors and CSSOs announcing implementation plans.
12/29/86	Distribution of draft nonregulatory guidance and application package.
01/26-27/87	First Conference on Drug-Free Schools. Final application package distributed.
02/27/87	Final nonregulatory guidance sent to Governor's, CSSOs and State representatives.
02/00/87	Receipt and Review of State applications
03/06/87	Began Grant awards process.
10/16/87	Completion of the Grant awards process for 50 States
02/11/88	Memo sent to State Governors and CSSOs regarding application amendments, along with FY 1988 State allotments.
05/13/88	Due date for State application amendments (extended due to the enactment of H.R. 5 requiring States to amend their applications.)
07/01/88	FY 1988 Grant awards to States.

		GOVERNOR DATA			SEA DATA			
	STATE	APPLICATION REC'D BY ED	APPROVED (GOVERNOR)	AMOUNT AWARDED	APPROVED (SEA)	AMOUNT AWARDED	STATE AWARD TOTAL	
1	ALABAMA	04-Mar-87	07-Jul-87	828,271	22-Jun-87	1,932,633	2,760,904	ALABAMA
2	ALASKA	11-Mar-87	10-Apr-87	238,651	02-Apr-87	556,854	795,505	ALASKA
3	ARIZONA	09-Mar-87	29-Apr-87	605,432	30-Mar-87	1,412,674	2,018,106	ARIZONA
4	ARKANSAS	20-Feb-87	18-Mar-87	483,328	13-Mar-87	1,127,765	1,611,093	ARKANSAS
5	CALIFORNIA	26-May-87	07-Jul-87	4,679,631	07-Aug-87	10,919,137	15,598,768	CALIFORNIA
6	COLORADO	19-Mar-87	22-May-87	602,379	02-Apr-87	1,405,551	2,007,930	COLORADO
7	CONNECTICUT	04-Mar-87	14-May-87	561,678	30-Mar-87	1,310,581	1,872,259	CONNECTICUT
8	DELAWARE	13-May-87	01-Jun-87	238,651	08-Jun-87	556,854	795,505	DELAWARE
9	DIST. OF COL.	27-Mar-87	10-Apr-87	238,651	10-Apr-87	556,854	795,505	DIST. OF COL.
10	FLORIDA	19-Feb-87	18-Mar-87	1,822,401	18-Mar-87	4,252,266	6,074,667	FLORIDA
11	GEORGIA	27-Mar-87	10-Apr-87	1,209,846	10-Apr-87	2,822,973	4,032,819	GEORGIA
12	HAWAII	18-May-87	07-Jul-87	238,651	07-Jul-87	556,854	795,505	HAWAII
13	IDAHO	27-Feb-87	06-Aug-87	238,651	06-Aug-87	556,854	795,505	IDAHO
14	ILLINOIS	23-Mar-87	22-Jun-87	750,000	24-Apr-87	6,235,202	7,478,862	ILLINOIS *
15	INDIANA	07-Apr-87	11-May-87	1,122,338	11-May-87	2,618,789	3,741,127	INDIANA
16	IOWA	27-Feb-87	18-Mar-87	572,871	13-Mar-87	1,336,698	1,909,569	IOWA
17	KANSAS	01-Apr-87	29-Apr-87	460,942	24-Apr-87	1,075,532	1,536,474	KANSAS
18	KENTUCKY	20-Feb-87	10-Apr-87	766,202	10-Apr-87	1,787,804	2,554,006	KENTUCKY
19	LOUISIANA	03-Mar-87	18-Mar-87	967,673	18-Mar-87	2,257,904	3,225,577	LOUISIANA
20	MAINE	02-Apr-87	10-Apr-87	238,651	10-Apr-87	556,854	795,505	MAINE
21	MARYLAND	20-Apr-87	12-Jun-87	797,745	14-May-87	1,861,406	2,659,151	MARYLAND
22	MASSACHUSETTS	02-Apr-87	01-Jun-87	1,020,585	01-Jun-87	2,381,364	3,401,949	MASSACHUSETTS
23	MICHIGAN	09-Feb-87	29-Apr-87	1,853,945	29-Apr-87	4,325,867	6,179,812	MICHIGAN
24	MINNESOTA	05-Mar-87	30-Mar-87	806,903	30-Mar-87	1,882,774	2,689,677	MINNESOTA
25	MISSISSIPPI	06-Feb-87	06-Mar-87	586,099	06-Mar-87	1,367,563	1,953,662	MISSISSIPPI
26	MISSOURI	01-Apr-87	22-May-87	956,480	22-May-87	2,231,788	3,188,268	MISSOURI
27	MONTANA	04-Feb-87	06-Mar-87	238,651	06-Mar-87	556,854	795,505	MONTANA
28	NEBRASKA	03-Jun-87	08-Jun-87	254,000	08-Jun-87	740,764	1,058,234	NEBRASKA **
29	NEVADA	21-Jul-87	13-Aug-87	238,651	02-Sep-87	556,854	795,505	NEVADA
30	NEW HAMPSHIRE	16-Apr-87	11-May-87	238,651	11-May-87	556,854	795,505	NEW HAMPSHIRE
31	NEW JERSEY	20-Mar-87	30-Sep-87	1,391,984	16-Apr-87	3,247,963	4,639,947	NEW JERSEY
32	NEW MEXICO	14-May-87	13-Jul-87	307,295	08-Jun-87	717,021	1,024,316	NEW MEXICO
33	NEW YORK	25-Feb-87	06-Oct-87	3,262,209	11-Sep-87	7,611,819	10,874,028	NEW YORK
34	NORTH CAROLINA	25-Mar-87	10-Apr-87	1,204,758	10-Apr-87	2,811,103	4,015,861	NORTH CAROLINA
35	NORTH DAKOTA	07-Apr-87	11-May-87	238,651	11-May-87	556,854	795,505	NORTH DAKOTA
36	OHIO	01-Apr-87	10-Apr-87	2,127,661	10-Apr-87	4,964,539	7,092,200	OHIO
37	OKLAHOMA	09-Mar-87	21-Jul-87	651,220	02-Apr-87	1,519,515	2,170,735	OKLAHOMA
38	OREGON	14-Apr-87	12-Jun-87	512,836	01-Jun-87	1,196,618	1,709,454	OREGON
39	PENNSYLVANIA	19-Jul-87	10-Aug-87	2,169,380	07-Aug-87	5,061,882	7,231,262	PENNSYLVANIA
40	RHODE ISLAND	23-Mar-87	24-Apr-87	238,651	16-Apr-87	556,854	795,505	RHODE ISLAND
41	SOUTH CAROLINA	05-May-87	14-May-87	686,834	14-May-87	1,602,614	2,289,448	SOUTH CAROLINA
42	SOUTH DAKOTA	24-Mar-87	08-Jun-87	238,651	08-Jun-87	556,854	795,505	SOUTH DAKOTA
43	TENNESSEE	07-Jul-87	02-Sep-87	932,059	02-Sep-87	2,174,806	3,106,865	TENNESSEE
44	TEXAS	14-May-87	08-Jun-87	3,333,437	22-Jun-87	7,778,015	11,111,452	TEXAS
45	UTAH	15-May-87	22-May-87	426,346	22-May-87	994,807	1,421,153	UTAH
46	VERMONT	16-Jul-87	30-Sep-87	238,651	18-Aug-87	556,854	795,505	VERMONT
47	VIRGINIA	24-Jun-87	07-Jul-87	1,055,181	07-Jul-87	2,462,089	3,517,270	VIRGINIA
48	WASHINGTON	26-Feb-87	02-Apr-87	829,289	18-Mar-87	1,935,007	2,764,296	WASHINGTON
49	WEST VIRGINIA	17-Mar-87	30-Mar-37	401,925	30-Mar-87	937,826	1,339,751	WEST VIRGINIA

		GOVERNOR DATA			SEA DATA			
	STATE	APPLICATION REC'D BY ED	APPROVED (GOVERNOR)	AMOUNT AWARDED	APPROVED (SEA)	AMOUNT AWARDED	STATE AWARD TOTAL	
50	WISCONSIN	26-Mar-87	29-Apr-87	935,112	16-Apr-87	2,181,928	3,117,040	WISCONSIN
51	WYOMING	26-Feb-87	22-Jun-87	238,651	06-Mar-87	556,854	795,505	WYOMING
52	AMERICAN SAMOA	19-May-87	02-Sep-87	76,680	02-Sep-87	178,921	255,601	AMERICAN SAMOA
53	NOR. MARIANAS	15-Sep-87	29-Dec-87	38,521	29-Dec-87	89,882	128,403	NOR. MARIANAS
54	GUAM	14-Oct-87	29-Dec-87	216,934	16-Nov-87	506,179	723,113	GUAM
55	PUERTO RICO	05-May-87	12-Jun-87	895,781	12-Jun-87	2,090,157	2,985,938	PUERTO RICO
56	PALAU	16-Mar-87	22-Jun-87	31,021	22-Jun-87	72,382	103,403	PALAU
57	VIRGIN ISLANDS	16-Apr-87	11-May-87	220,344	11-May-87	514,136	734,480	VIRGIN ISLANDS
58	Dept Pub. Instruction, NE		-	63,470				
59	Dept of State Police, IL		-	1,493,660				
				===========		===========	===========	
				48,313,800		112,732,200	161,046,000	

* ILLINOIS total includes award to State Police

** NEBRASKA total includes award to Dept. of Pub. Instruction

MAY 16 1988

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

OFFICE OF THE SECRETARY

DEPARTMENT OF EDUCATION PROGRAMS to implement the DRUG-FREE SCHOOLS AND COMMUNITIES ACT

On October 27, 1986, President Reagan signed the "Anti-Drug Abuse Act of 1986" into law. The Department of Education is responsible for administering Subtitle B of Title IV of that Act: the Drug-Free Schools and Communities Act of 1986 (the Act). The major components of the Department's programs and points of contact are listed below.

State and Local Grants Program: This is a formula grant program which allocates funds to States based on school-age population. Each State's allocation is divided between the State education agency (70%) and the Office of the Governor (30%). The SEA must allot at least 90 percent of the funds it receives to local education agencies to improve anti-drug abuse education, prevention, early intervention, and rehabilitation referral programs. The Governor provides financial support for anti-drug abuse efforts to community-based organizations. At least 50% of the Governor's funds must be used for programs for high-risk youth. All the States received their allocations for the first year of the program. Allotments for FY 88 were sent to Governors and Chief State School Officers on February 11, 1988. Funds will be available July 1, 1988 (Allen King, 732-4599).

Audiovisual Grants Program: Eight awards were made in December to develop and distribute audiovisual materials to elementary and secondary schools for drug abuse education and prevention activities. These materials will be close-captioned videotapes with brief teacher guides. The tapes will be distributed to schools in September 1988 (Lou Mathis, 732-4637).

Grants for Institutions of Higher Education (IHEs): Responsibility for the implementation of this program is divided between the Fund for the Improvement of Postsecondary Education (FIPSE) and the Secretary's Discretionary Fund (SDF). FIPSE made ninety-two grants in FY 87 to institutions of higher education to develop, operate, implement, and improve drug education and prevention programs for students enrolled in institutions of higher education. Regulations were issued for the FY 88 cycle. Applications were due on April 27, 1988, and they are currently under review. Awards will be made in mid-July (Ron Bucknam, 245-8100). SDF has responsibility for awarding grants to support preservice or inservice personnel training or demonstration programs in drug and alcohol abuse education and prevention for use in elementary and secondary schools. Forty-one grants were awarded in September 1987. Applications were solicited for the FY 88 cycle. The deadline for submission was February 26, 1988. Awards will be announced in late May (Bill Wooten, 732-4377).

Programs for Indian Youth: This program is administered under a Memorandum of Understanding between the Departments of Education and Interior. Anti-alcohol and drug abuse education and prevention services will be provided to Indian children on reservations attending elementary and secondary schools which are operated by the Bureau of Indian Affairs (Allen King, 732-4599).

Programs for Native Hawaiians: The Governor of Hawaii designates organizations to receive funds for drug prevention and education activities. The organizations which are eligible are those that primarily serve and represent Hawaiian natives. The Kamehameha Schools received a three-year grant in FY 87 under this program (Allen King, 732-4599).

Regional Centers Program: The Department of Education has awarded five cooperative agreements to fulfill the requirements of the Act. The law authorizes the Department to support these regional centers to: (1) train school teams to assess and combat drug and alcohol abuse problems, (2) assist State educational agencies in coordinating and strengthening alcohol and drug abuse education and prevention programs, (3) assist local educational agencies and institutions of higher education in developing training programs for educational personnel, and (4) evaluate and disseminate information on effective substance abuse, education prevention programs and strategies.

A portion of the funds under the Regional Centers Program has been set aside for a project to provide support to the five regional centers in carrying out their responsibilities. Activities for this project include collecting and disseminating information on regional center activities, collecting and disseminating information on model alcohol and drug education and prevention activities, providing technical assistance to the centers in carrying out their responsibilities, and coordinating and supporting national workshops and conferences (Allen King, 732-4599).

Federal Activities: The Department is supporting a number of projects in this category.

- The Secretary's Discretionary Fund under its Federal Activities Grants Program supports model development, dissemination, technical assistance, and curriculum development activities for drug and alcohol abuse education and prevention. Thirty-eight awards were made in FY 87 to State educational agencies, local educational agencies, institutions of higher education, and other nonprofit agencies, organizations, and institutions. Applications were solicited for the FY 88 cycle and the deadline for submission was February 26, 1988. Awards will be announced in late May (Bill Wooten, 732-4377).

- The Challenge is the Department's program to encourage individual schools and school districts to sign a compact with representatives of school, home, and community to initiate or sustain a program based on the twelve principles in the handbook, Schools Without Drugs, to keep their schools drug-free and to become part of a national network of drug-free schools. As of May 16th, 2,620 schools and 355 school districts are members (Annora Dorsey, 732-4161).

- The Challenge Newsletter is the Department's bi-monthly newsletter which highlights successful programs, provides the latest research on effective prevention measures, and answers questions about school-based efforts (Charlotte Gillespie, 732-3030).

- The Department of Education works with the Department of Health and Human Services to support the National Clearinghouse for Alcohol and Drug Information. The Clearinghouse staff responds to requests from schools for information and materials on drugs and prevention strategies, drug education curricula, model drug education programs, and referrals for assistance and resources (Charlotte Gillespie, 732-3030).

- Schools Without Drugs is in its third printing--more than 1.9 million copies have been distributed to date.

- The Office of Educational Research and Improvement (OERI) is currently supporting four initiatives designed to increase the amount of information available about drug abuse education and prevention

    - Drug-Free Schools Recognition Program. The Drug-Free Schools Recognition Program operates in a manner similar to the Department's School Recognition Program, though it receives guidance from an advisory group consisting of experts in the area of drug and alcohol abuse. Applications from nominated schools were reviewed by an appropriate panel, and those schools or programs selected for recognition were honored at ceremonies in Washington, D.C. on May 15-16, 1988. In the year after the recognition ceremonies, the Program will participate in 5 regional conferences on creating drug-free schools (Shirley Curry, 357-6134).

    - Network of Drug-Free Colleges. OERI is supporting development of a national network of colleges committed to eliminating drug abuse on their campuses. Initial networking efforts will focus on four year residential colleges so that information on

- comparable problems may be shared. The Network will be formed during the '87-'88 school year, with a National Forum for Drug-Free Colleges to be held in the fall of 1988 (David Mack, 357-6117).

- New Research Perspectives on Student Drug Abuse. Leading scholars and researchers are reflecting on the drug issue and producing a series of papers on a creative research agenda that will assist the efforts to eliminate drug abuse in schools (Ron Pedone, 357-6233).

- Drug Abuse Curricula Criteria. OERI will develop, produce, and disseminate a guide to help school building and school district staff select and implement substance abuse curricula in elementary and secondary school. This guide will become available in summer 1988 (Nelson Smith, 357-6187).

For further information on any of the activities summarized above, please call the appropriate contact person or write:

Drug Abuse Prevention Oversight Staff
Office of the Secretary
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 4145, MS 6411
Washington, D.C. 20202
or call (202) 732-3030.

NORTH CAROLINA
DEPARTMENT OF
PUBLIC INSTRUCTION

116 West Edenton Street • Education Building
Raleigh • 27603-1712

August 3, 1988

The Honorable Charles B. Rangel
Chairman
U.S. House of Representatives
Select Committee on Narcotics Abuse
and Control
Room H2-234, House Office Building
Annex 2
Washington, DC 20515-6425

Dear Congressman Rangel:

Thank you for your very kind letter of July 21, with regard to my testimony before the Select Committee. I too regret that you were unable to be present to hear the testimony. I want to thank you for the opportunity to appear before the committee and share my thoughts and ideas. I especially appreciate your responsiveness after hearing my concerns following your comments at the recent White House Conference for a Drug-Free America.

During the course of the testimony and following the formal hearing, a number of issues were raised that require further input on my part. I am submitting these further comments to be included with my original statement if you and your office deem that to be appropriate.

There was a great deal of discussion concerning an appropriate level of expenditure for research and evaluation. I have had the opportunity to discuss this issue with a number of university researchers in North Carolina who are working in the field of school-based alcohol and drug prevention activities. Based on the best input I have received, I am recommending that 3-5% of the amount funded for public school program operations be used for research and evaluation. As indicated, this recommendation is based on discussion with North Carolina researchers,

an equal opportunity/affirmative action employer

The Honorable Charles B. Rangel
Page 2
August 3, 1988

including one from the Research Triangle Institute. I do not believe that we should diminish the small level of base funding in the Drug-Free Schools' Program. I am therefore recommending that 3-5% of the amount of program funds for the Drug-Free Schools'operations be funded as a separate category for research and evaluation.

Finally, during the course of the hearing, discussions focused on the issue of early identification and intervention. For your review and information, I am enclosing a copy of a report that I made to the Appropriation's Committee of the North Carolina General Assembly. Senate Bill 1356 required the Department of Public Instruction to address primary prevention in grades K-12, early identification of high-risk students, and educational services to students in treatment. The recommendations that are contained in this report were fully funded by the General Assembly in its summer session. The recommendations involved the direct management of educational services to children in treatment by public schools. This is a unique approach for a state education agency, and I believe North Carolina is the only state that has taken this approach. We consider this to be cost-effective, especially when comparing to the cost of the "Exceptional Children's Program." Should you have any questions with regard to this enclosure, please let me know.

Again, thank you for the opportunity of appearing before the committee. I appreciate, more than you know, your hard work to secure the kind of legislation that is so desperately needed to address the education of our children in the public schools, services to those children who are in need, community-based treatment, and certainly the provisions in the law enforcement arena. I have a great personal respect for your leadership and for your commitment in this area. Please let me know if I can be of further service and assistance to you.

Sincerely,

Steven L Hicks

Steven L. Hicks
Division Director
Alcohol and Drug Defense

SLH/pg

Enclosure

REPORT TO THE APPROPRIATIONS COMMITTEE
NORTH CAROLINA GENERAL ASSEMBLY
BY
THE N.C. DEPARTMENT OF PUBLIC INSTRUCTION
ALCOHOL AND DRUG DEFENSE DIVISION
June 9, 1988
9:00 a.m.

"Adolescent Substance Abuse Program"

Introduction

In 1985, the N.C. General Assembly pioneered a major shift in public policy by requiring public schools to provide prevention, early identification and intervention services in grades K-12. Prior to the establishment of the Alcohol and Drug Defense Program in the Department of Public Education, these services were largely the responsibility of the Department of Human Resources.

In 1986, Congress passed the Drug-Free Schools Act and placed, for the first time, primary responsibility on the U.S. Department of Education for the delivery of alcohol and drug services. The Drug-Free Schools Act requires the delivery of "mandatory, age-appropriate K-12 curricula" to address the reduction of student alcohol and drug use.

Senate Bill 1356 represents landmark legislation for North Carolina in a further step to clarify roles and responsibilities between the Departments of Education and Human Resources in the delivery of school-based and community prevention, intervention and treatment services.

This report is the response of the Department of Public Instruction to the specific responsibilities assigned to public schools in the legislation.

Memorandum of Understanding (Attachment A)

The two state departments have been diligently working to outline the broad strategies that are essential for an effective delivery of substance abuse services in schools and communities. The attached agreement represents a strong cooperative commitment to implement all of the provisions of SB 1356.

Senate Bill 1356 Requirements

The legislation specifically charges the Department of Education to address the "primary responsibility for

- in-school education (prevention activities),
- identification (of students at-risk or harmfully involved with substance use),
- intervention services, including student assistance programs."

The law further requires the Department to "establish policies and procedures that

- ensure ease of referrals between school-based programs and non-school-based programs...
- ensure continued educational services while in treatment, and
- ensure reentry to public school after non-school based treatment."

Section 2 of the statute states that "effective July 1, 1988" appropriations to DPE and DHR respective agencies are to be made on the basis of the above.

School-Based Education/Prevention Services
The Alcohol and Drug Defense Division's (ADD) Annual Report for the period ending June, 1987, speaks to the services provided by the Department to integrate alcohol and drug prevention curricula in grades K-12. Over 16,000 of the 60,200 school personnel who need basic prevention training were involved in a Ten-Hour Module during the first two years of the division's operation. By using State Competitive grants ($250,000) and the Federal Drug-Free Schools Grant ($2,811,103/FY 87-88), a basic foundation for a comprehensive K-12 program has been implemented across the state.

The significance of SB 1356 for prevention is that it mandates the responsibility for K-12 prevention to the public schools. It no longer falls to external agencies to decide what public schools need. All of the research indicates that our only hope for successful prevention is in the delivery of carefully integrated curricula in a sequential, age-appropriate process involving all students in grades K-12.

School-Based Intervention Services/The Student Assistance Program Model
The previously mentioned ADD Annual Report identifies that approximately 100,000 7th-12th graders in North Carolina are "problem drinkers." These 100,000 students are the tip of the iceberg for students in grades K-12 who are in need of early identification and Student Assistance Programs.

I want to call your attention to Attachment B (1-6) for this portion of the report. These flow charts will provide you with a framework of how the early identification and intervention procedures have been established.

The following narrative will explain this flow of services:

"The ADD School-Based Student Assistance Program Model"

The following program narrative derives from investigation into the literature surrounding student assistance programming as well as consultation with the following North Carolina resources: The Department of Public Instruction's

Division of Instructional Services, Division of Exceptional Children, Division of Support Programs, the Department of Human Resources Division of Mental Health, Mental Retardation and Substance Abuse Services and selected private chemical dependency treatment providers.

Core Team Composition and Schedule

Student assistance program referrals will be funnelled through a Core Team in each school building. The ideal composition for such a team includes: a building administrator or designee, student assistance program coordinator, guidance counselor, dropout prevention counselor, athletic coach, teacher(s), school social worker, school nurse, custodian and/or cafeteria worker. The preemptive qualification for all members is that they express a desire to serve on the team and give a 1-2 year commitment. Generally the Core Team can accomplish its routine functions by meeting weekly for one hour.

How The Intervention Process Works

Level 1 Intervention

Referrals to the Core Team come from a variety of sources. In-school referrals may include: student self-referral, staff referral or disciplinary referral due to a policy violation. Out-of-school referrals may include: parent referral, juvenile justice or court referral and agency referral. As indicated on flow chart B-1, all out-of-school referrals must come through the building principal or designee.

Once the referral reaches the Core Team, a *case manager* is assigned to begin collecting data on the identified student. This process includes contact with pertinent in-school resources as diagrammed on flow chart B-2 and through distribution of behavior report forms/check lists to all of the student's teachers. Following initial data collection, the case is presented to the Core Team, by the case manager, and a decision is made regarding an immediate course of action. That action includes preparation for a Level 1 intervention. A Core Team member is assigned to meet with the student, present the data gathered by the case manager, clarify the Core Team's perceptions and expectations of the student, and negotiate a plan of action. Results of this interview (Level 1 intervention) guide further action in the case. Routinely, the student's ability to uphold his or her part of the action plan is monitored and follow-up action is based on that outcome. However, referral to an outside resource can be made anytime data supports such a referral and can be accomplished through compliance with established procedures or through implementation of a Level 2 Intervention.

Level 2 Intervention

When a pattern of deteriorating performance is noted for a student who has been through a Level 1 intervention and has demonstrated inability to follow his or her action plan, a Level 2 Intervention is applied. In this intervention, parents, student and select Core Team members meet to discuss disposition of the case. The focus is to establish parental alliance for an agreed upon next step. When evidence points to alcohol/drug involvement, the team may recommend that the student participate in a chemical awareness group (Insight Group). As noted in flow chart B-5, the student's performance and behavior continues to be monitored, evaluated and documented by the Core Team.

Level 3 Intervention
If a student's behavior and performance continue to deteriorate beyond this stage, the next level of intervention would be referral to an outside resource. For substance abuse cases the appropriate recommendation would be referral for a professional chemical assessment by a qualified chemical dependency specialist. This step is Level 3 Intervention and necessitates an additional meeting with parents, student and select Core Team members. To facilitate a referral the Core Team should have on hand a list of respected chemical dependency assessment centers in the community.

If professional assessment is refused, the school Core Team once again continues monitoring, evaluating and documenting the student's behavior and performance. When referral to professional assessment is accepted, then the Core Team links with the treatment facility, usually through the student assistance program coordinator, to provide essential data and to begin planning for reentry back to school.

Educational Needs of Children In Treatment
The requirements in this area of the law are explicit in an effort to ensure that the child who needs to enter a community-based treatment program receives academic/ educational services via the public school system.

We began exploring this assignment through meetings with staff in the Exceptional Children's Program, direct treatment and educational service providers and representatives from the Attorney General's Office.

The Department of Human Resources plans to establish residential and intensive outpatient treatment services as outlined in Attachment C.

The following model is our best recommendation for a model to deliver educational services to children in publicly funded treatment programs. The flow chart in Attachment D is explained on the next page.

[This report does not address the delivery of educational services to children in the existing 15 private adolescent treatment programs.]

Education Plan for School-Aged Students in Primary Treatment
The needs of school-aged students identified for intensive treatment are varied and must be addressed in a comprehensive program. The program must include treatment for the student's substance abuse problem, but also must provide a quality educational program to ensure a smooth transition from the home school to the treatment center and back to the home school setting. A plan based on the close coordination between the staff in the home school and in the treatment center will foster a cooperative effort, and ensure that the requirements outlined in the "The Basic Education Program for North Carolina's Public Schools" will be met. It also will provide a support system for the home school to maintain its educational responsibility for a student in the treatment center.

Students referred to a treatment center will enter with a completed personalized education plan defining their educational needs. A teacher and teacher assistant will work with a maximum of ten students and will provide tutorial instruction. Instructional settings will provide for direct instruction on an individual basis, in small groups and from peer tutors.

Textbooks provided by the home school will be used to provide consistency and to guarantee that each student will progress through the text selected by his home school. Additional instructional support will be provided through computer software. Special software programs will be selected to meet the wide range of instructional needs. Students will receive instruction in communication skills, mathematics, science, social studies, healthful living, physical education, arts, and electives.

A five and one half hour instructional day will be structured to provide a variety of instructional settings. Opportunities for treatment will be scheduled as necessary. Students will progress through "North Carolina Standard Course of Study" and monthly reports will be sent to the designated contact person in the home school. Additional contacts will be made by the teacher in the residential setting to monitor the pacing of the students and to discuss the progress of specific students. The close instructional coordination will foster a smooth transition when students return to their home schools.

The teacher and assistant will be based in a local LEA served by the treatment center. They will receive twelve month contracts and will follow the calendar established by the LEA. During the school year, a majority of their time will be spent in a classroom setting. Non-instructional time will be devoted to planning, conferences, travel, staff training and correspondence. During the summer months, the team will conduct follow-up studies of students who have returned to their home schools to determine the effectiveness of the program and to improve the educational program for the following year. The team will also work closely with their LEAs to improve the quality of their program.

This education plan has been developed based on research, a review of other residential models, and many suggestions from teachers, school-level administrators and other staff members. Staff members from both the Department of Human Resources and the Department of Public Education have provided many valuable suggestions. The task is formidable and only through our combined efforts will we be able to provide the model program that we want for North Carolina.

The following budget considerations are now presented in response to the above requirements in SB 1356 for the Department of Education.

I. Prevention/Student Assistance Programs

Continuation of School-Based Programs Previously Funded by DHR	$ 750,000
Subtotal	$ 750,000

II. Educational Services To "Students In Treatment"

The detailed budget on page 8 represents a phased-in plan to initially provide 1 teacher/1 teacher assistant at each of the 8 Department of Human Resource's treatment sites in the first quarter. As the size of the students population in treatment increases in the 2nd, 3rd and 4th quarter, the number of teachers/assistants is increased to maintain the 2:10 ratio.

Subtotal	$ 738,960
TOTAL	$1,488,960

N.C. DEPARTMENT OF PUBLIC INSTRUCTION
ALCOHOL AND DRUG DEFENSE PROGRAM
"Educational Services To Students In Treatment"
July 1, 1988 - June 30, 1989

The following budget is based upon a phased-in annual plan to provide 1 teacher and 1 teacher assistant to DHR Treatment Sites on the basis of each 10 students (2:10). The initial base budget costs to provide 1 teacher/1 teacher assistant for each 10 students is $595,977 for 12 months.

DHR SITES	July-September	October-December	January-March	April-June
Pitt County	2:10	2:15	2:15	2:15
Wayne County	2:10	2:10	2:10	2:10
Burke County	2:10	2:10	2:10	2:10
Mecklenburg County	2:10	2:10	4:20	4:20
High Point	2:10	4:20	6:30	8:40
Richmond County	2:10	2:10	2:10	2:10
Davidson County	2:10	2:10	2:10	2:10
Lee County	2:10	2:10	2:10	2:10
	$166,992[1]	$160,866	$196,614	$214,488[2]

TOTAL FY 88-89 COST $738,960

[1] Includes fixed costs expenditures for furniture and equipment

[2] By April 1, 1989 a total of 24 teachers/teachers'assistants will be serving 125 students on a given day in the treatment program.

ATTACHMENT A

AGREEMENT BETWEEN THE DEPARTMENT OF PUBLIC EDUCATION THE ALCOHOL AND DRUG DEFENSE PROGRAM AND DEPARTMENT OF HUMAN RESOURCES DIVISION OF MENTAL HEALTH, MENTAL RETARDATION, AND SUBSTANCE ABUSE SERVICES

I. Purpose and Scope

A. It is the purpose of this agreement to signify the interest and intent of the Department of Human Resources and the Department of Public Education to accomplish the following.

1. To assure that state and local agencies coordinate and facilitate school-based and non-school based education and prevention activities designed to prevent substance use by school-aged children and youth.

2. To assure that state and local agencies coordinate and facilitate the provision of early identification, intervention, treatment, and aftercare/follow-up services for school-aged children and youth who are substance users or at high-risk of becoming substance abusers.

3. **To assure continued educational services are provided to public school students who are receiving substance abuse intervention and/or treatment services in a non-school based setting.**

4. To ensure for all persons entitled to attend the public schools the opportunity for re-entry into public school following treatment in non-school based treatment services.

B. The Department of Human Resources and the Department of Public Education shall prescribe through standards, guidelines and funding mechanisms the development of appropriate agreements between local education agencies (hereinafter referred to as LEAs) and local Area Mental Health/Mental Retardation and Substance Abuse Authorities and their Contract Agencies (hereinafter referred to as Area Programs and their Contract Agencies).

C. All references in this agreement to the sharing of confidential information are made in accordance with state and federal statutory provisions for confidentiality.

II. Authority

The mandate for this agreement is contained in Chapter 863 of the Session Laws of 1987 which amends Chapter 122C by adding a new subsection codified as G.S. 122C-113(b1). As stated in the legislation:

a) The Department of Human Resources through its Division of Mental Health, Mental Retardation, and Substance Abuse Services shall be responsible for prevention, intervention, and treatment in non-school based programs, and

b) The Department of Public Education shall have primary responsibility for in-school education, prevention, identification, and intervention services, including student assistance programs.

c) Effective July 1, 1988, appropriations for local school units and the Department of Human Resources agencies' Adolescent Substance Abuse program components shall be contingent upon the development of policies and procedures by the Department of Human Resources and the Department of Public Education that ensure the ease of referrals between school-based programs and non-school based programs, and that ensure continued educational services while in treatment and that ensure re-entry into public school after non-school based treatment.

In addition, the agreement shall be consistent with the regulation and rights of children and their parents, guardian(s) or surrogate parent(s) as specified in Chapter 122C of the General Statutes of North Carolina, and confidentiality regulations as contained in Title 10 of the North Carolina Administrative Code and the Family Educational Rights and Privacy Act, 20 U.S.C. 1232g.

III. Substance of Agreement

A. Confidentiality

1. The Department of Public Education through the Alcohol and Drug Defense (ADD) Program agrees that where the LEA has knowledge that a a child is a client of an area mental health program, the LEA will solicit client and/or parental permission to disclose confidential student information to, and to receive confidential client information from, the area mental health program.

2. The Department of Human Resources through the Division of Mental Health, Mental Retardation and Substance Abuse Services agrees that where the area mental health program has knowledge that a client is enrolled in a primary or secondary school program, the area mental health program will solicit client or parental permission for the exchange of confidential information.

B. Substance Abuse Services

1. The Department of Public Education through the Alcohol and Drug Defense (ADD) Program, in consultation and cooperation with the Department of Human Resources, will assume primary responsibility to implement the following activities:

   a) To establish a K-12 substance abuse curriculum to be implemented as an integral component of the educational program in all LEAs as provided by G.S. 115C-81.

   b) To establish on-going school-based prevention programs in LEAs.

   c) To consult with the 140 LEAs in the development and implementation of school-based, early identification and intervention programs for at-risk students, to include school-based student assistance programs.

   d) To develop model school policies and procedures which encourage and support the development of comprehensive services to students who are substance users or at risk of becoming substance abusers and which ensure linkage between school-based and non-school based services.

e) To encourage and support LEAs in the development and adoption of comprehensive substance abuse policies and procedures. These policies and procedures will include K-12 prevention/education curriculum as well as early identification, intervention and referral. These policies and procedures shall address re-entry strategies for all school-age youth.

f) To encourage LEA's to accept responsibility for the development and implementation of appropriate educational programs for students and school-age youth receiving substance abuse treatment from public or private treatment providers. They will be further encouraged to solicit input in the development of these personal education plans from the public or private treatment provider in order to assure consistency with the child's treatment plan.

g) To encourage LEA's, upon request from public or private treatment providers, to assist in the development of an individual treatment plan.

h) To provide and require training to ensure that school-based substance abuse prevention, early identification and intervention services are provided by trained personnel.

i) To provide substance abuse educational and training programs for school and Area Program personnel.

j) To encourage LEA's to utilize Area Programs and their Contract Agencies as a portal of entry into non-school based substance abuse intervention and treatment services.

2. The Department of Human Resources through the Division of Mental Health, Mental Retardation and Substance Abuse Services, in consultation and cooperation with the Department of Public Instruction, Alcohol and Drug Defense Program, will assume primary responsibility to implement the following activities:

    a) To develop and implement community-based prevention activities in local Area Programs and their Contract Agencies.

    b) To develop community-based early identification, intervention and treatment programs which ensure coordination of services and ease of referral from school-based intervention and treatment services.

    c) To develop and implement appropriate individual treatment plans for youth who are clients in substance abuse treatment services. Area Programs and their Contract Agencies will solicit input in the development of these treatment plans from the LEAs to assure consistency with the child's educational plan.

d) To encourage Area Programs and their Contract Agencies, upon request from the LEA, to assist in the development of the student's personal education plan.

e) To provide and require training to ensure that community-based prevention, intervention and treatment services are provided by qualified substance abuse professionals.

f) To provide educational and training programs for school personnel and Area Program personnel.

g) To provide case management services for students who are clients of Area Programs and their Contract Agencies.

h) To serve as a portal of entry and exit into non-school based substance abuse services for students who have or who are at high risk of developing substance abuse problems.

i) To require that no Area Program or its Contract Agency will charge or collect any fee for educational services funded by the Department of Public Education.

j) To allow Area Programs and their Contract Agencies to charge parents (on a sliding scale according to the Area Program's established fee schedule) for any treatment services provided by Area Programs or their Contract Agencies (e.g. diagnostic services, individual counseling, group/family counseling, etc.).

3. The Department of Human Resources and the Department of Public Education will join in a collaborative and cooperative effort to assure the continuation of school-based prevention and intervention programs currently funded by the Department of Human Resources and which meet standard of performance established by both Departments.

   a) The Department of Public Education, with the support of the Department of Human Resources, will seek funding from the N.C. General Assembly and other sources to assume financial responsibility for existing school-based prevention and intervention programs operated by the Department of Human Resources.

b) Until such time that adequate funding is received by the Department of Public Education, both departments will make every effort to assure continuation of existing services through a joint review of services provided.

4. Upon request from private school systems in North Carolina, the Department of Human Resources through its Division of Mental Health, Mental Retardation and Substance Abuse Services and the Department of Public Instruction through the Alcohol and Drug Defense Program will provide consultation and technical assistance in the development of prevention, intervention and treatment services.

IV. Period of Agreement

This agreement is effective upon signature and will be reviewed for revision and continuation on an annual basis.

V. Modification/Cancellation Provision

This agreement will be reviewed annually for appropriate changes. Such changes or clarifications will appear in memorandum format, and will be considered an amendment to the agreement that will become operational when accepted by both parties.

A. Craig Phillips, State Superintendent
for the Department of Public Education

Date: ____________________

David T. Flaherty

David T. Flaherty, Secretary
for the Department of Human Resources

Date: ____________________

Witnessed By:

Steven L. Hicks

Steven L. Hicks, Division Director
Alcohol and Drug Defense Division

Date: 4-27-88

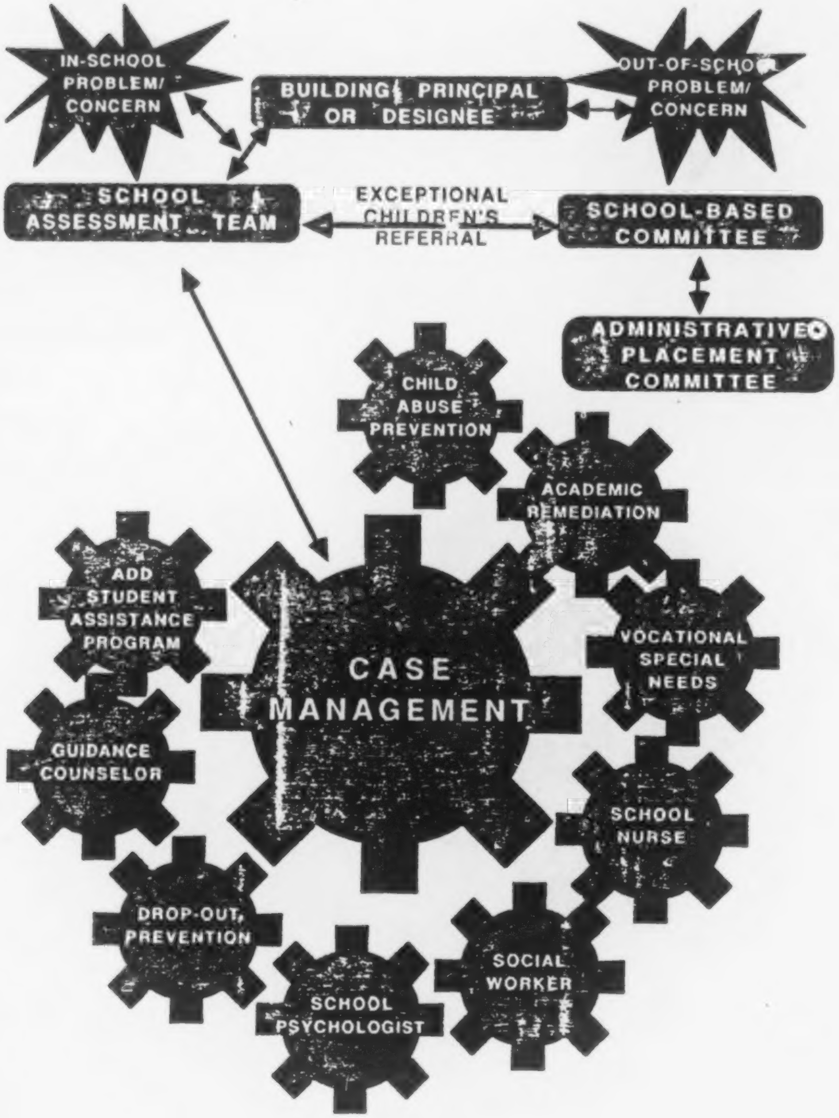
Witnessed By:

Paul T. Kayye, M.D.

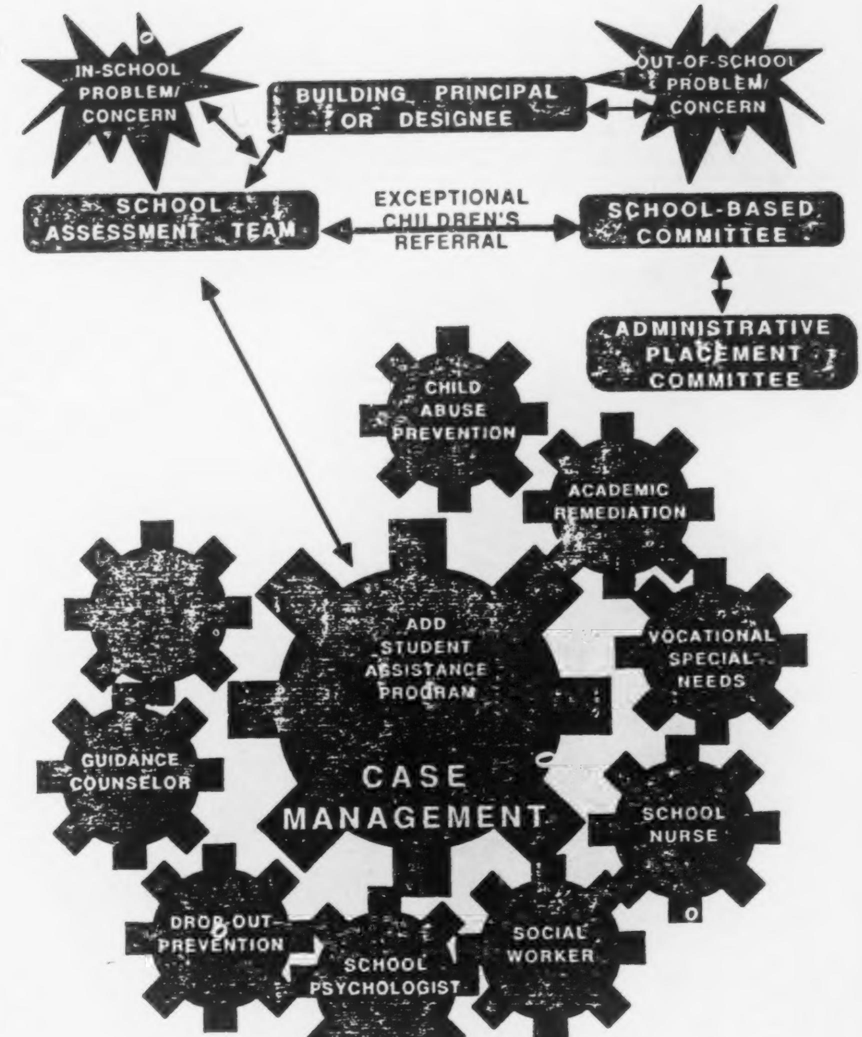
Paul T. Kayye, M.D., Division Direct
Mental Health, Mental Retardation an
Substance Abuse

Date: ____________________

ATTACHMENT B-1


IN-SCHOOL PROBLEM/ CONCERN
BUILDING PRINCIPAL OR DESIGNEE
OUT-OF-SCHOOL PROBLEM/ CONCERN
SCHOOL ASSESSMENT TEAM
EXCEPTIONAL CHILDREN'S REFERRAL
SCHOOL-BASED COMMITTEE
ADMINISTRATIVE PLACEMENT COMMITTEE
CHILD ABUSE PREVENTION
ACADEMIC REMEDIATION
ADD STUDENT ASSISTANCE PROGRAM
CASE MANAGEMENT
VOCATIONAL SPECIAL NEEDS
GUIDANCE COUNSELOR
SCHOOL NURSE
DROP-OUT PREVENTION
SOCIAL WORKER
SCHOOL PSYCHOLOGIST

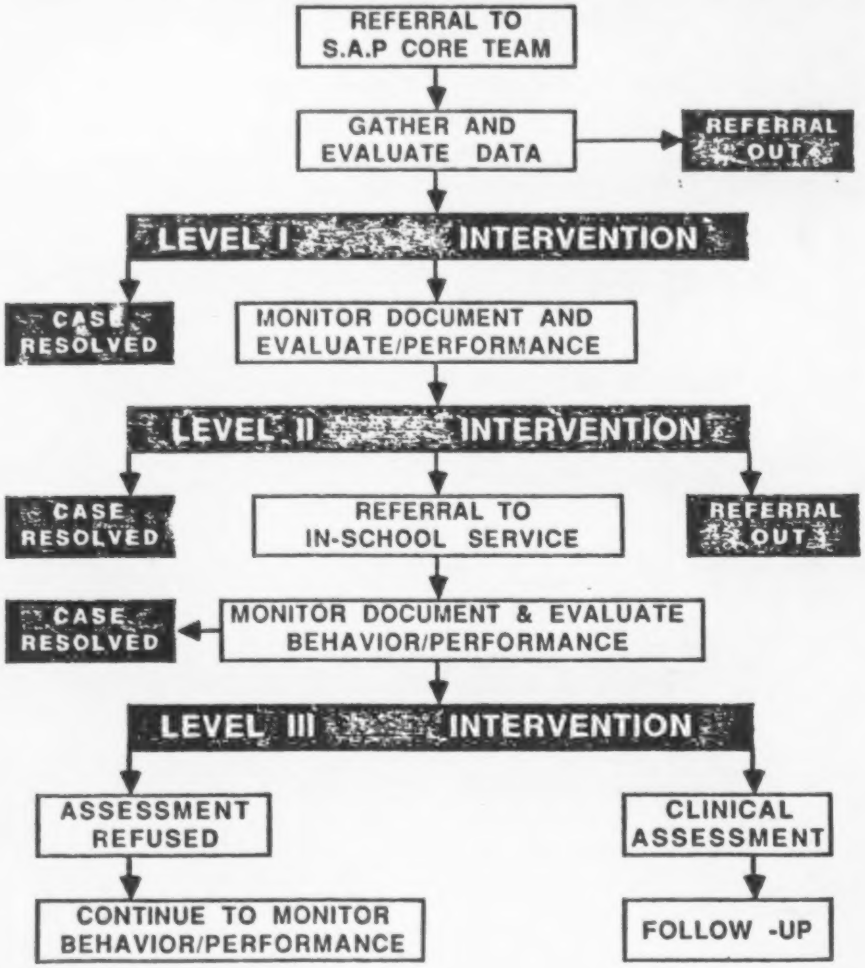
ATTACHMENT B-2


IN-SCHOOL PROBLEM/ CONCERN
BUILDING PRINCIPAL OR DESIGNEE
OUT-OF-SCHOOL PROBLEM/ CONCERN
SCHOOL ASSESSMENT TEAM
EXCEPTIONAL CHILDREN'S REFERRAL
SCHOOL-BASED COMMITTEE
ADMINISTRATIVE PLACEMENT COMMITTEE
CHILD ABUSE PREVENTION
ACADEMIC REMEDIATION
ADD STUDENT ASSISTANCE PROGRAM
CASE MANAGEMENT
VOCATIONAL SPECIAL NEEDS
GUIDANCE COUNSELOR
SCHOOL NURSE
DROP-OUT PREVENTION
SCHOOL PSYCHOLOGIST
SOCIAL WORKER

ATTACHMENT B-3

FLOW CHART

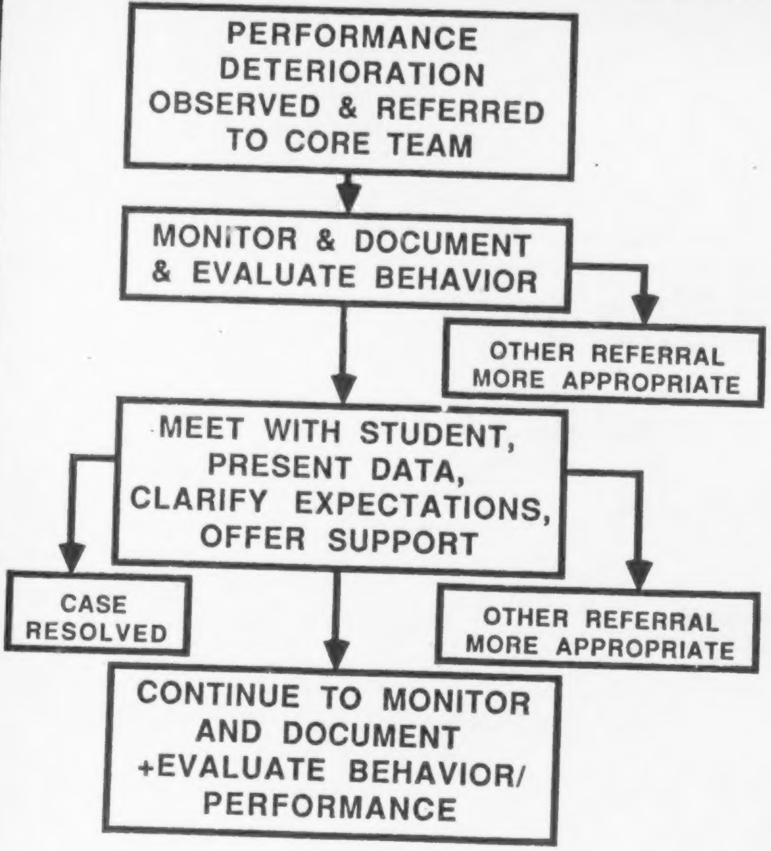
(OVERVIEW)


REFERRAL TO S.A.P CORE TEAM
GATHER AND EVALUATE DATA
REFERRAL OUT
LEVEL I INTERVENTION
CASE RESOLVED
MONITOR DOCUMENT AND EVALUATE/PERFORMANCE
LEVEL II INTERVENTION
CASE RESOLVED
REFERRAL TO IN-SCHOOL SERVICE
REFERRAL OUT
CASE RESOLVED
MONITOR DOCUMENT & EVALUATE BEHAVIOR/PERFORMANCE
LEVEL III INTERVENTION
ASSESSMENT REFUSED
CLINICAL ASSESSMENT
CONTINUE TO MONITOR BEHAVIOR/PERFORMANCE
FOLLOW -UP

ATTACHMENT B-4

LEVEL 1 INTERVENTION

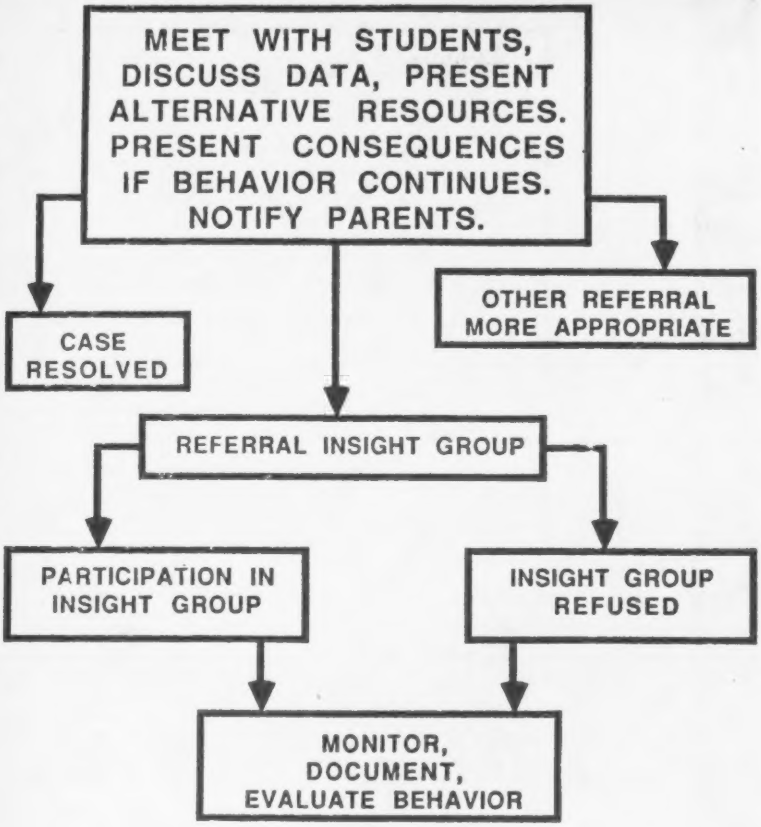
ADD SCHOOL-BASED S.A.P. INTERVENTION FLOW CHART


PERFORMANCE DETERIORATION OBSERVED & REFERRED TO CORE TEAM
MONITOR & DOCUMENT & EVALUATE BEHAVIOR
OTHER REFERRAL MORE APPROPRIATE
MEET WITH STUDENT, PRESENT DATA, CLARIFY EXPECTATIONS, OFFER SUPPORT
CASE RESOLVED
OTHER REFERRAL MORE APPROPRIATE
CONTINUE TO MONITOR AND DOCUMENT +EVALUATE BEHAVIOR/ PERFORMANCE

ATTACHMENT B-5

LEVEL 2 INTERVENTION

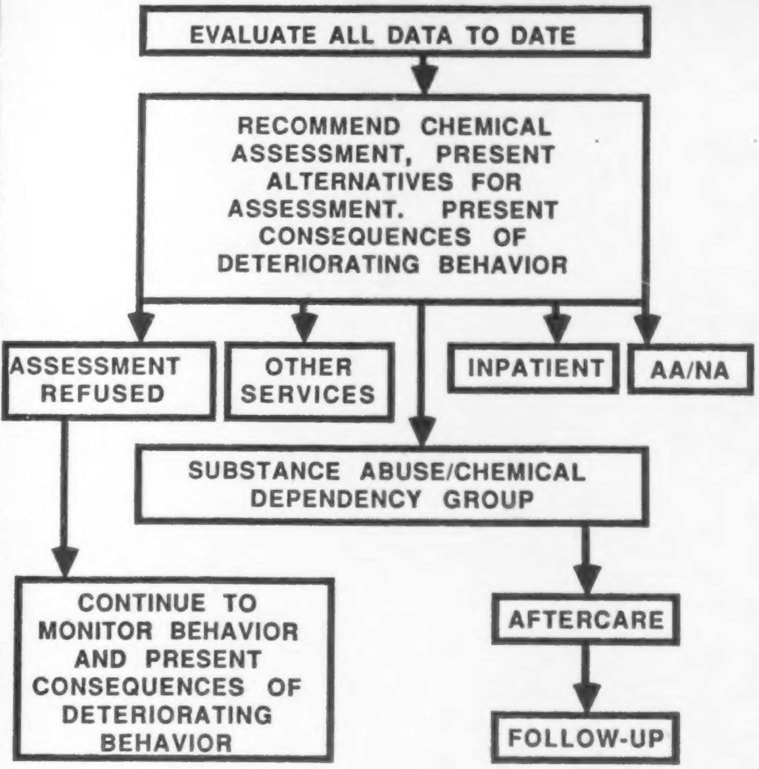
ADD SCHOOL-BASED S.A.P. INTERVENTION


MEET WITH STUDENTS, DISCUSS DATA, PRESENT ALTERNATIVE RESOURCES. PRESENT CONSEQUENCES IF BEHAVIOR CONTINUES. NOTIFY PARENTS.
CASE RESOLVED
OTHER REFERRAL MORE APPROPRIATE
REFERRAL INSIGHT GROUP
PARTICIPATION IN INSIGHT GROUP
INSIGHT GROUP REFUSED
MONITOR, DOCUMENT, EVALUATE BEHAVIOR

ATTACHMENT B-6

LEVEL 3 INTERVENTION

ADD SCHOOL-BASED S.A.P. INTERVENTION FLOW CHART


EVALUATE ALL DATA TO DATE
RECOMMEND CHEMICAL ASSESSMENT, PRESENT ALTERNATIVES FOR ASSESSMENT. PRESENT CONSEQUENCES OF DETERIORATING BEHAVIOR
ASSESSMENT REFUSED
OTHER SERVICES
INPATIENT
AA/NA
SUBSTANCE ABUSE/CHEMICAL DEPENDENCY GROUP
CONTINUE TO MONITOR BEHAVIOR AND PRESENT CONSEQUENCES OF DETERIORATING BEHAVIOR
AFTERCARE
FOLLOW-UP

ATTACHMENT C

INTENSIVE PROGRAMS IN NEED OF EDUCATIONAL SERVICES

Eastern Region

Pitt County - Day Tx/Group Home	15 slots
No final arrangements with schools at this time	
Wayne County - Day Treatment	10 slots
No final arrangement with school at this time	

Western Region

Foothills [illegible] - Day Tx/Group Homes	8 slots
(Currently contracting with schools to provide one (1) teacher and one (1) teacher's aide for [illegible] months	
Mecklenburg [illegible] House - Day Tx/Group Home	20 slots
(Currently educational services are being provided by Mecklenburg School System on an in-school basis)	

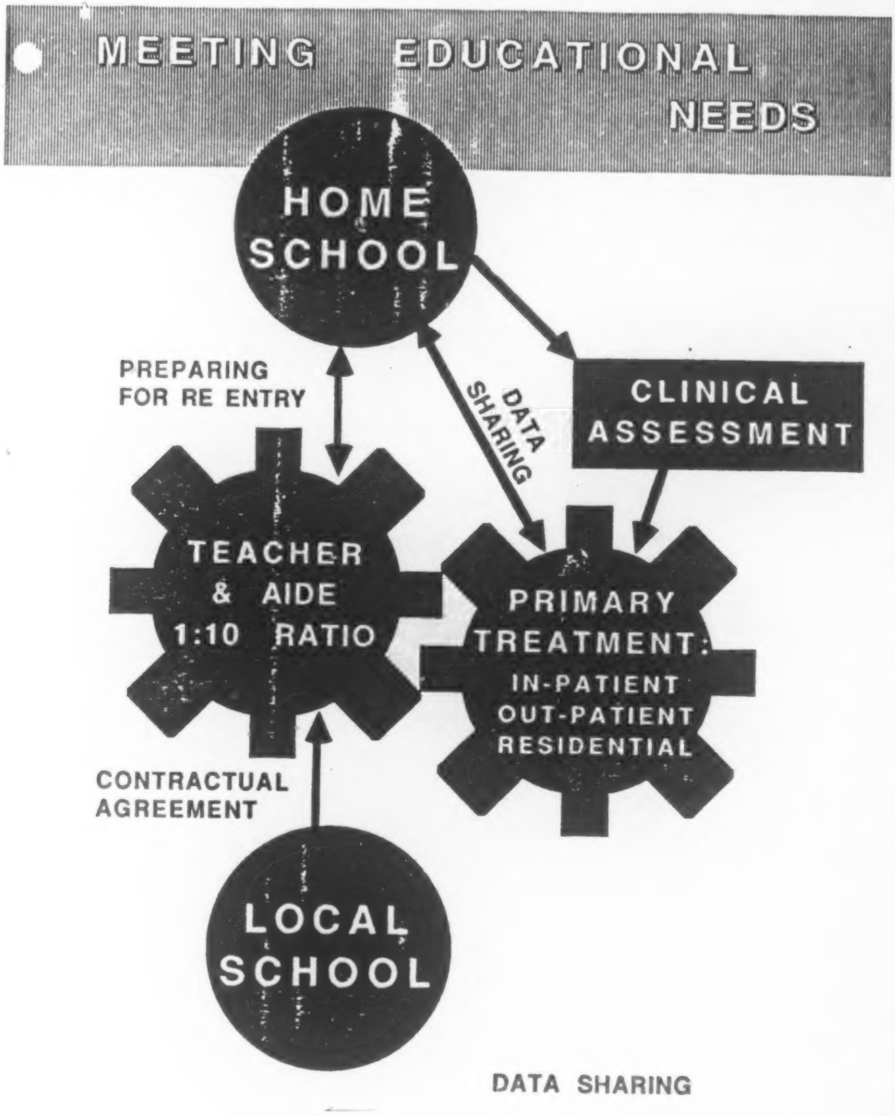
North Central Region

High Point - Day Tx/Group Homes	36 slots
Surry-Yadkin - Day Tx/Group Home	

South Central Region

Samaritan [illegible] Center - Residential	6 beds
Davidson Cares - Residential	6 beds
Lee-Harnett - Day Tx Halfway House	6 slots

ATTACHMENT D


MEETING EDUCATIONAL NEEDS
HOME SCHOOL
PREPARING FOR RE ENTRY
DATA SHARING
CLINICAL ASSESSMENT
TEACHER & AIDE 1:10 RATIO
PRIMARY TREATMENT: IN-PATIENT OUT-PATIENT RESIDENTIAL
CONTRACTUAL AGREEMENT
LOCAL SCHOOL
DATA SHARING